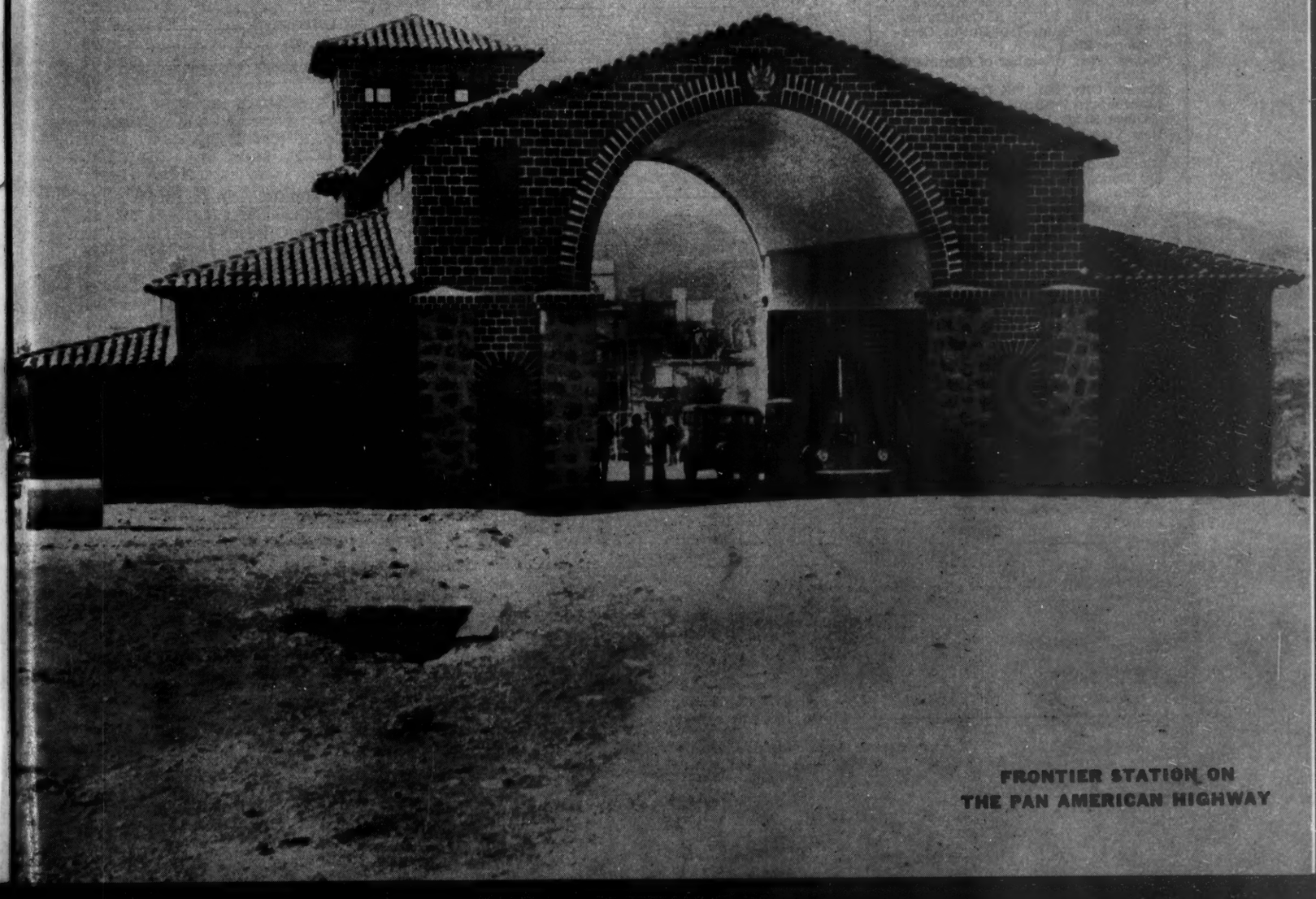
U.S. 93 F7473

Foreign Commerce WEEKLY

Vol. IX, *No.* 10 *December* 5, 1942



FRONTIER STATION ON
THE PAN AMERICAN HIGHWAY

Foreign Commerce Weekly

Statutory Functions "The Bureau of Foreign and Domestic Commerce . . . . to further promote and develop the foreign and domestic commerce of the United States." [*Law creating the Bureau, Aug. 23, 1912 [37 Stat. 408].*]

Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, *Secretary*

THIS WEEK

The Pan American Highway—Wartime Key to Inter-American Transport 3

Tunisia:—Economy of Vital Protectorate 10

Paper Production Mounts in the "Other Americas" 14

News by COUNTRIES

Algeria 18
Argentina 18
Bermuda 18
British West Indies 19
Canada 19
Ceylon 21
Chile 21
Colombia 22
Cuba 22
Denmark 23
Dominican Republic 23
Egypt 24
France 24
French Cameroun 24
French Morocco 24
French Oceania 24
Haiti 25
Honduras 25
Mexico 25
Panama 25
Spain 37
Syria and Lebanon 37
United Kingdom 38
Tunisia 37
Uruguay 38

News by COMMODITIES

Beverages 26
Chemicals 26
Construction 26
Electrical Machinery and Equipment 26
Foodstuffs 27
Iron and Steel 30
Leather and Related Commodities 31
Lumber and Products 31
Machinery, Other Than Electrical 31
Medicinals and Crude Drugs 32
Motion Pictures and Equipment 32
Nonferrous Metals 32
Nonmetallic Minerals 32
Oils, Fats, and Oilseeds 32
Paints and Pigments 33
Paper and Related Products 33
Petroleum and Products 33
Railway Equipment 34
Refrigeration Equipment 34
Shipbuilding 34
Special Products 34
Textiles and Related Products 34

REGULAR DEPARTMENTS

Exchange Rates 36
Trade-Mark Applications 38
United States Export Control and Related Announcements 39
New Books and Reports 42
Keen Comments on World-Economy Today 19
Contributors' Column 35

Department of Commerce Field Service

Regional Offices

Atlanta, Ga., 603 Rhoades Bldg.
Boston, Mass., 1800 Customhouse.
Chicago, Ill., 357 U. S. Courthouse.
Cleveland, Ohio, 750 Union Commerce Bldg.
Dallas, Tex., Chamber of Commerce Bldg.
Kansas City, Mo., 724 Dwight Bldg.
Minneapolis, Minn., 201 Federal Office Bldg.
New York, N. Y., 500 Fifth Ave.
Philadelphia, Pa., 1510 Chestnut St.
Richmond, Va., 530 East Main St.
St. Louis, Mo., 107 New Federal Bldg.
San Francisco, Calif., 307 Customhouse.

District Offices

Birmingham, Ala., 727 Comer Bldg.
Buffalo, N. Y., 242 Federal Bldg.
Charleston, S. C., Chamber of Commerce Bldg.
Cincinnati, Ohio, Chamber of Commerce Bldg.
Denver, Colo., 518 Customhouse.
Detroit, Mich., 371 New Federal Bldg.
Houston, Tex., Federal Office Bldg.
Indianapolis, Ind., Chamber of Commerce.
Jacksonville, Fla., Federal Bldg.
Los Angeles, Calif., 1540 U. S. Post Office Bldg.
Memphis, Tenn., 229 Federal Bldg.
New Orleans, La., 408 Maritime Bldg.
Pittsburgh, Pa., 1013 New Federal Bldg.
Portland, Oreg., Room 313, 520 SW Morrison St.
San Juan, P. R., G-7 Federal Bldg.
Savannah, Ga., 403 U. S. Post Office Bldg.
Seattle, Wash., 809 Federal Office Bldg.
Wilmington, Del., 317 New Federal Bldg.

Annual Subscription: *Domestic, $4.50; Foreign, $7.90; Single copy, 10 cents. Make remittances payable to the Superintendent of Documents and mail direct to that official, Government Printing Office, Washington, D. C.*

Note: Contents of this publication are not copyrighted and may be reprinted freely. Mention of source will be appreciated.

The Department of Commerce is not responsible for material obtained from other than Government sources.

PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. P.)

The Pan American Highway—
Wartime Key to Inter-American Transport

By EDWIN W. JAMES, *Chief, Inter-American Regional Office, United States Public Roads Administration*

LEADERS of the United Nations have continually stressed the fact that the present world conflict is basically a war of transportation. Every medium of transportation is included in this battle line. These lines of communication are the very fiber of world strategy. And in the vast interplay of movement of men and machines on the global battlefronts, the Pan American Highway System may be destined to play a significant wartime role.

The construction of the Pan American Highway, like the building of the Panama Canal, may fairly be classed as a milepost in mankind's constructive achievements. The joint effort to build this great system of highways and principal connections of some 15,000 miles may justly be called a monument to the cooperative spirit of the Western Hemisphere republics.

Highway's Importance Grows

The universal shortage of ship transportation has increased the importance of the Pan American Highway as a potentially vital factor not only in the "Battle of Supply Lines" but also in the "Battle for Raw Materials" so essential to our increased war production. South America is veritably a "Storehouse of Strategic Materials" for the great munition industries of the "Arsenal of Democracy" and is now more important than ever before as a source of strategic materials formerly obtained from the Far East. Recently, Under Secretary of War Robert Patterson emphasized that raw materials are now the key to war production, and the War Production Board's Labor Advisory Committee has made a strong statement in similar vein.

Construction Now Speeded

The Pan American Highway System has been under construction for almost 19 years. When it is completed, nearly half a billion dollars will have been spent on it. Construction and improvements of this highway system are being speeded up.

For the internal movement of materials in South America there already exist various railroad, air, and river shipping facilities. Others have been proposed or are under construction which can be coordinated with the Pan American Highway. The course of the highway has been strategically laid out so that there are now convenient connections with other forms of transportation.

Today's Vital Questions

The question now is: Can the Pan American Highway provide a major contribution to the war effort in the immediate future? Or must we wait until every mile of highway is paved from the United States-Mexican border south to Chile and Argentina? Can the Pan American Highway be utilized to bring strategic materials from the other American Republics to the United States? Can the Pan American Highway lessen the pressure on and destruction of shipping? An affirmative answer would seem warranted under certain concomitant conditions.

The use of highway transportation has figured very prominently in this world crisis. Our Government has recognized the importance of highway transportation for the movement of materials by granting large loans and appropriations to the other American Republics, totaling between $85,000,000 and $95,000,000, for the building of the Pan American Highway through Central and South America. The same objectives are involved in the recent decision to rush a "pioneer road" from the Mexican-Guatemalan border to Panama City to be linked by June 1943 with the Mexican railway system leading north to the United States border, and the rushing to completion of the 1,632-mile Canadian-Alaskan Highway to make it available for motor transportation for operations related to the war. But even these loans and appropriations may be inadequate if speedier construction seems imperative.

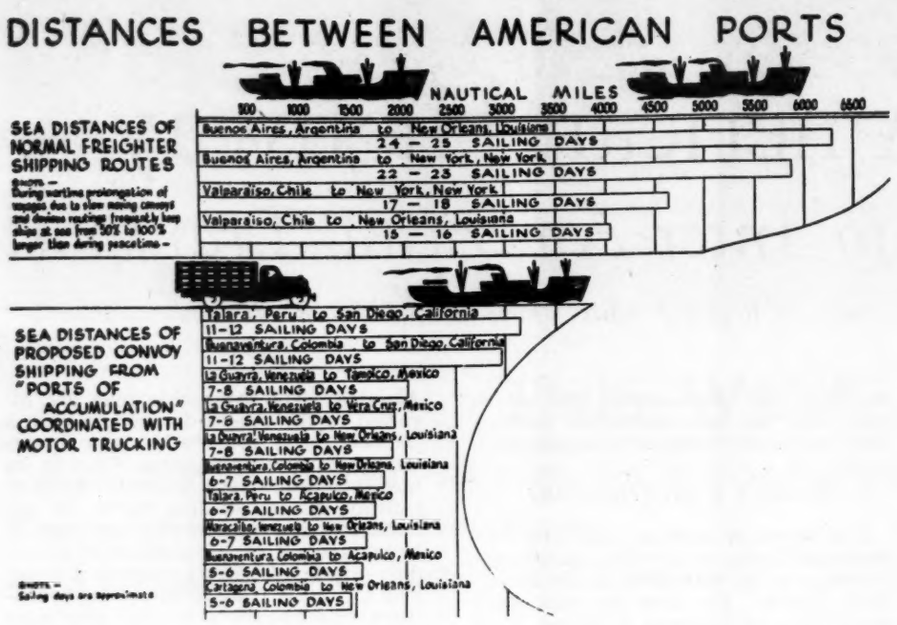
Enemy attacks, whether direct or by means of sabotage, aim at dislocation of transportation arteries. British experience has shown that highway transportation is less vulnerable to attack than either railways or water facilities, which normally cary the major portion of passenger and freight traffic. In the event of attack, proportionately greater reliance must be placed on highway transportation.

Lessons From Burma Road

The wisdom of a planned international highway system as a basic part of a war program has been exemplified by

Photo by Herbert C. Lanks.

Approaching the Uspallata Pass in the Chilean Andes, on the route of the Pan American Highway between Santiago and Buenos Aires.


DISTANCES BETWEEN AMERICAN PORTS
NAUTICAL MILES
500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500
SEA DISTANCES OF NORMAL FREIGHTER SHIPPING ROUTES
Buenos Aires, Argentina to New Orleans, Louisiana
24 — 25 SAILING DAYS
Buenos Aires, Argentina to New York, New York
22 — 23 SAILING DAYS
Valparaiso, Chile to New York, New York
17 — 18 SAILING DAYS
Valparaiso, Chile to New Orleans, Louisiana
15 — 16 SAILING DAYS
SEA DISTANCES OF PROPOSED CONVOY SHIPPING FROM "PORTS OF ACCUMULATION" COORDINATED WITH MOTOR TRUCKING
Talara, Peru to San Diego, California
11-12 SAILING DAYS
Buenaventura, Colombia to San Diego, California
11-12 SAILING DAYS
La Guayra, Venezuela to Tampico, Mexico
7-8 SAILING DAYS
La Guayra, Venezuela to Vera Cruz, Mexico
7-8 SAILING DAYS
La Guayra, Venezuela to New Orleans, Louisiana
7-8 SAILING DAYS
Buenaventura, Colombia to New Orleans, Louisiana
6-7 SAILING DAYS
Talara, Peru to Acapulco, Mexico
6-7 SAILING DAYS
Maracaibo, Venezuela to New Orleans, Louisiana
6-7 SAILING DAYS
Buenaventura, Colombia to Acapulco, Mexico
5-6 SAILING DAYS
Cartagena, Colombia to New Orleans, Louisiana
5-6 SAILING DAYS

China's Burma Road. Scooped out in 10 months by the back-breaking hand labor of more than 100,000 men, women, and children, this highway functioned for almost 5 years, pouring new life blood into the armies of China. Observers who have compared the Burma Road with finished sections of the Pan American Highway, such as those in Peru and other American Republics, rate the Burma Road as really a back-country, grade-D highway. Yet in 1941 the Burma Road managed to provide 20,000 tons of vital military and hospital supplies every month for the fighting Chinese armies.

When the Burma Road was first opened in 1937 its capacity was limited to about 5,000 tons a month. Despite lack of machinery and equipment, lack of organization, technical difficulties, lack of fuel, inadequate surfacing, and an unremitting rain of Japanese bombs, this artery continued to function until Burma was conquered by the enemy. Chinese humorists' favorite jibe at the Japanese was that a Jap bomb cost a thousand dollars—the hole it made in the road cost 8 cents to repair! Today the Chinese are building another highway to connect China's stronghold, Chungking, with India.

Over the Burma Road moved strategic materials such as tin, antimony, tungsten, wolfram, lead, quicksilver, tung oil, mica, acids, and TNT. Other items reported to have been trucked over the Burma Road included heavy and bulky materials such as iron, steel, railway parts, shipbuilding parts, and copper. Reports indicated that a large percentage of the truckloads consisted of fuel—there being few sources of gasoline supply on the road. Such trucking of fuel would not be necessary along the Pan American Highway System. Some fuel facilities are now available, and gasoline depots could be established. Also, there are a large number of Diesel-motored trucks in South America that might be used, and these require considerably less fuel than gasoline-driven vehicles.

Soviet and French Examples

The supplies that were routed to the Russian armies via the port of Murmansk and then shipped southward from that city by truck and rail helped Russia to weather the first onslaught of the Nazi war machine. In the Middle Eastern theater of war a combination of long-distance truck hauling over highways, combined with rail and water shipping, is being utilized to bring in supplies to bolster the Russian effort to hold the Caucasus oil region, thus further evidencing the necessity and feasibility of coordinated rail, ship, and long-distance trucking under the impetus of military or strategic exigencies.

The "Fighting French," too, built new highways, one about 1,700 and the other about 1,900 miles long, through French Equatorial Africa for the transportation of supplies for the Near East front under very difficult conditions and at high costs. These highways enable the "Fighting French" to attack the Axis forces in southern Libya.

In each of these instances, highway transportation proved successful and indispensable.

Present Transport Situation

Ships still are the principal means of moving commodities in inter-American trade. Since Pearl Harbor, published reports indicate sinkings of more than 535 ships and the damaging of many others in Western Hemisphere waters.

So admittedly grave is this problem that radically new ideas are being developed or are under consideration to cope with the submarine menace. Construction of a new type of ship, the so-called "sea otter," and huge cargo-carrying planes has been considered. Recently the Government announced a $10,000,000 program designed to acquire an emergency fleet of existing sailing vessels and indicated its intention to build others in the other American Republics. However, no reduction of the long sea distance to be traversed will result. Therein is the crux of the inter-American transportation problem. *It is the long sea distance which makes this menace to our shipping so crucial.* If transportation between the Americas over the long sea routes can be sharply reduced, and if at the same time a continuous flow of essential supplies can be maintained, we shall be greatly aided in solving the problem.

Basic Facts Weighed

Ships to carry men and supplies are our first necessity in opening a new front in Europe as well as in Africa, or striking with concentrated power at the enemy in any other theater of war. If we are to control the shipping situation, thoroughly effective measures will have to be taken and maintained to combat or circumvent the U-boat in the "Battle of the Atlantic." British Prime Minister Winston Churchill said recently, "Without ships we cannot live; without them we cannot conquer."

Shipping distance from Buenos Aires, Argentina, to New York is 5,871 nautical miles, if ships follow the normal peacetime lanes around the northeastern hump of Brazil, and then sail in a straight course in the general direction of Cape Hatteras and thence to New York. The usual freight-ship passage during peacetime over this route requires 24 days and often more. A major portion of the trip is in the South and North Atlantic Ocean, where the incidence of ship sinkings has been highest, including the sinking of many vessels of South and Central American registry.

In view of restrictions on shipping, it may be well to reexamine our transportation channels. Alternatives may offer difficulties and barriers, but these seem not insurmountable.

Land-and-Water Routes

Since it is the long sea lanes that expose shipping to attack during wartime, the problem would appear to resolve itself into a reduction of long-distance sea transportation by utilizing alternative water and land routes. One need only glance at the map to note that the distance between Valparaiso, Chile, or Buenos Aires, Argentina, and North Atlantic ports such as New York is much greater than the distance from Buenaventura, Colombia, or La Guaira, Venezuela, to New Orleans, La.

Obviously there is a great advantage in routing shipping over the Caribbean Sea and the Gulf of Mexico. Not only is the sea route shortened, but the Gulf and Caribbean region is already under the especially vigilant eyes of the Army and Navy, because of its proximity to the Panama Canal. A glance at the accompanying chart quickly shows the great saving of time and limited exposure of ships utilizing the Caribbean and Gulf routes. The concentration of

the major part of inter-American transportation in this area would also permit concentration of Army and Navy protective units in this region. Thus protection would be increased in proportion to the shortening of the dangerous sea distance.

Focus Below Panama

In weighing alternative combinations of land and water routes, it is the South American section of the Pan American Highway with which we are at present concerned. Except for about 2,000 miles of continuously surfaced roads in Mexico, the 3,500 miles of the North American section of the Pan American Highway (known as the Inter-American Highway north of the Panama-Colombia border) is not under consideration, as that section is still under construction. Some intermediate sections are completed, but will not be continuously connected until June 1943. Approximately 300 miles of territory in southern Panama and northern Colombia are still only semiexplored.

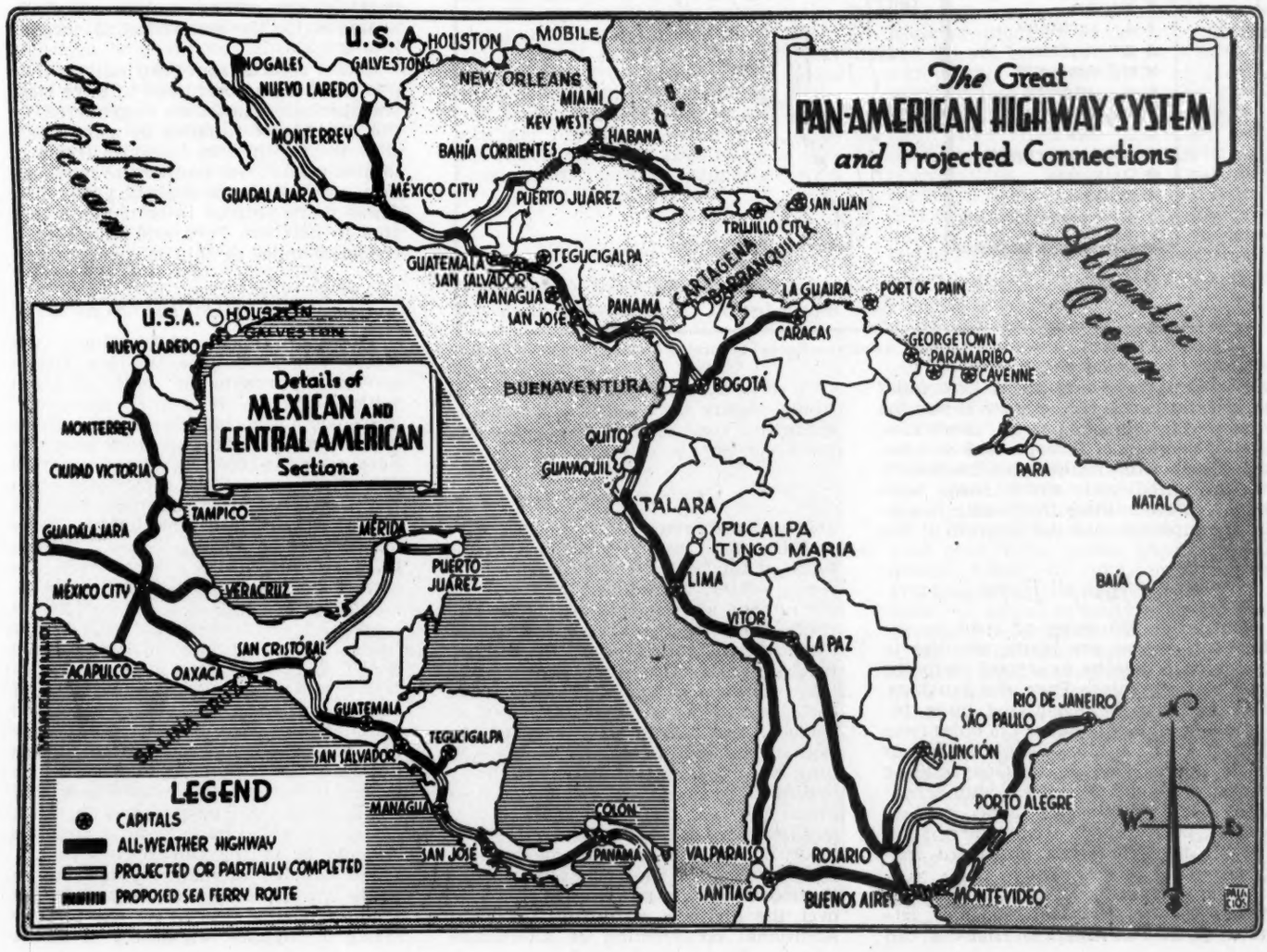
The South American section of the Pan American Highway between La Guaira, Venezuela, and Rio de Janeiro, Brazil, is about 8,200 miles long, following for the most part the Pacific coast through Colombia, Ecuador, and Peru, and continuing southeast through Bolivia and Argentina and thence northward along the Atlantic coast through Uruguay and Brazil. It is about 325 miles longer from the junction point at Vitor, Peru, by the western route which continues south through Chile and eastward to Argentina.

The Pan American Highway's completed and projected routes are traced on the accompanying map. Reports reaching the United States Public Roads Administration as of August 1941 indicated that the highway in South America was 76.1 percent finished for "all-weather" driving — which means "all year round." In addition, 20.3 percent, which is "dry-weather" road, can be used 6 months during the year, bringing the total of useful highway to 96.4 percent for at least 6 months in the year. During the past year additional construction and improvements probably have moved this figure up to about 98 percent.

Bottleneck in Ecuador

The principal bottleneck in South America is a 290-mile stretch in Ecuador. For construction in this area the Export-Import Bank of Washington has made a loan of $900,000 to Ecuador. Only 75 miles of road can be constructed with this loan. However, with the immediate additional expenditure of approximately $7,500,000 for construction in this area it would be possible to make a detour road available in 2 months and to complete the 290-mile gap in about 5 months of actual construction work. The construction-time element depends on the amount of necessary road-building equipment made available and the provision of shipping space and other facilities to get road gangs and supplies to construction sites.

It is not unreasonable to expect that building of the highway in the Ecuador region, although it is mountainous territory, could be completed with great rapidity if the funds and equipment were made available. Speed of road construction is exemplified by the Australian Government, which completed 600 miles of highway in 93 days, under very difficult circumstances, under the stress of its wartime emergency. In 8 months, the 1,632-mile Alaska-Canada Highway was pushed to completion. This latter record-breaking road-building feat illustrates the speed of construction that can be attained with modern road-building machinery. The Italian Government, too, in building roads through Libya in order to attack Egypt, was



From "Look at Latin America" (Headline Books); courtesy Foreign Policy Association.

reported to have built about 1,200 miles of highway across the desert in 10 months under difficult tropical conditions. Italy's conquest of Ethiopia in 9 months, some authorities believe, was due largely to the speed with which roads were built to move military forces with motorized equipment into the interior of the country.

"Water Jump" Expedient

Until the 290 miles of road in the Ecuador section are ready, whether in 2 months, 5 months, or several years, the area between Talara, Peru, and San Juan, Ecuador, may be negotiated by a 10-hour water jump of about 175 miles from Talara, Peru, to Guayaquil, Ecuador, or from Puerto Bolivar to Guayaquil—a distance of only 90 miles. Ship schedules and services are now military secrets, but no doubt a ship-ferry service for trucks carying important materials could be arranged.

From Guayaquil, Ecuador, a 115-mile detour east to San Juan, Ecuador, situated on the Pan American Highway, can be used in the "dry-weather" season. It would require only about 2 months to make this road ready for "all-weather" truck movements.

Central Route

From April to November, in the 12,600-foot Uspallata Pass in the Andes Mountains, at the border of Chile and Argentina, winter snows accumulate and prevent normal movement of wheeled traffic between the two countries for about 6 months of the year. If increased traffic warrants it, snow plows could keep this road open all year. The map shows the alternate central route northeast of Buenos Aires, Argentina, to La Paz, Bolivia, connecting with the western branch of the Pan American Highway to Vitor, Peru, near the Pacific coast of South America. This route could be utilized to service Argentina, Uruguay, Paraguay, Bolivia, and portions of southern Brazil during the winter months, so that there could be free movement of vehicles over the highway all during the year. Additional construction of alternative "all-weather" routes are also under consideration.

With Brazil's active participation in the war against Germany and Italy, the inter-American movement of military supplies and strategic materials over safe dependable routes is now more urgent than ever before.

Long-Haul Truck Transport

Truck transportation over the Pan American Highway is expected to be a feature of future trade among the other Americas. Trade among the American Republics is more important than ever before now that they are cut off from many foreign markets. Even if the present rate of shipping could be maintained, which is doubtful, minimum requirements are not being met—to say nothing of the extraordinary requirements of the American Republics actually engaged in the war. A plan to supplement shipping by utilizing trucking over the highway for transportation to the United States of scarce strategic materials would be an important step in keeping the wheels of wartime industry turning at a rate which the enemy cannot match, as well as maintaining South America's economy. This plan might well be considered an extension of the idea of shipping in small packages by sailing vessels, which is analagous to the splintering of cargoes into truckloads.

Recent reports from Peru indicate that plans are being considered to solve local transportation problems engendered by the shortage of shipping by using truck convoys over the Pan American Highway to haul goods from southern to northern Peru, over a distance of about 1,000 miles. These plans propose to accumulate cargoes in northern Peru and thus save a thousand miles of ship movements.

Availability of Trucks

There are about 10,000 Diesel-type motor vehicles in the Western Hemisphere. Approximately half of these vehicles are in the "other Americas." Passenger automobile assembly lines have been dismantled, but not truck assembly lines. Over 150,000 trucks were reported to be frozen in dealers' showrooms when the Executive order banning sales of motor vehicles went into effect. Only about 50,000 vehicles are believed to have been released. Thus a large stock pile of various sizes of trucks is still on hand, making it *possible,* at least, to divert a large fleet of gasoline motortrucks for transportation of vital materials from South America. The use of Diesel-operated vehicles would mean a saving of fuel as well as storage space and would eliminate to some extent dependency upon gasoline facilities, although fuel is available in South America. South American nations, too, have a supply of trucks which could be used, and the truck movement would be as vital to them as it could be to the United Nations.

The number of motor vehicles to be made available by the United States would of course depend on the priority rating of supplies originating in South

America. Everything must obviously give way to the production and release of ships, airplanes, and military weapons, and since use of the highway would shorten very considerably the distance covered by United Nations shipping, it might conceivably be an easy decision to yield priorities on motor vehicles which would release the necessary ships for the transportation of airplanes and military equipment to the fighting fronts and at the same time obtain raw materials from South America to build more ships, planes, and weapons. This entire process may be considered indivisible for the successful prosecution of the war—one step impinges on another, and all are equally important.

Facilities and Supplies

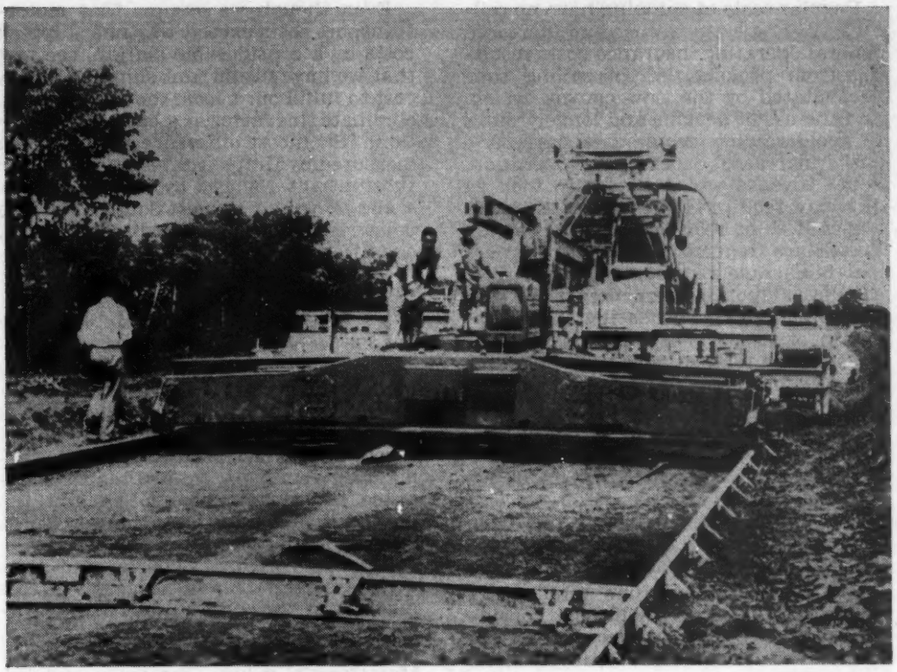
The question may be raised as to whether necessary supplies and service facilities exist in South America to provide for a large-scale long-haul trucking movement.

There is oil in Venezuela, Colombia, Peru, and Argentina. Venezuela is now the second largest oil producer in the world.

There are large quantities of asphalt in Venezuela and Peru. Asphalt can be used for completion, improvement, and repair of the highway. Other native materials have also been used effectively in highway construction in South America, as elsewhere.

There is rubber in Brazil, Colombia, Bolivia, Ecuador, Peru, and Venezuela. There are 12 tire factories in South America. Recently, United States Government agencies have sent many technicians to South America to stimulate increased production of rubber. It is hoped that 40,000 tons of crude rubber may be obtained from the other American Republics in 1943, with progressive increases each year thereafter.

Every part of the highway, where constructed, is now being used for inter- and intra-American trucking and bus travel, although up to the present it has not been used extensively for the transportation of strategic materials to the United States, except for limited quantities coming from Mexico. The Mexican section of the Pan American Highway and other Mexican national and auxiliary highways provide a continuous system of about 2,000 miles of surfaced roads directly connected with those of the United States.



Working to link the Americas.

Availability of Labor

Workers in the transport services are heavily in demand in the United States. South America has a population of approximately 90,000,000, mostly "simpatico" to the cause of the United Nations. However, much of the labor population has not yet been brought fully into the war effort. Discontinuance or curtailment of transportation between North and South America would remove even more labor from the war effort, with (one may say) a variety of detrimental repercussions. Utilizing the great labor supply in South America to maintain a fleet of motor vehicles and thousands of miles of highway, and facilities for sheltering workers in their own lands, should prove mutually beneficial in many ways.

Road building in Latin America.

Relative Costs

The general movement of strategic materials from South America would decrease costs as the volume increased, although the important thing in this war is goods and time—not money. Strategic and critical materials vital to war production are available in many parts of South America. Some of them are: Chromium, manganese, coconut-shell char, mica, nickel, quartz crystal, quinine, rubber, tin, tungsten, magnesite, graphite, industrial diamonds, and vegetable oils, as well as many other products necessary to fortify our civilian economy. After preliminary operations have started, ways and means of lowering costs and increasing volume will undoubtedly be developed.

Long-distance overland transport may be relatively uneconomic in a peacetime society. It may be several times as costly as peacetime shipping at first, but the safety of lives and materials and the greater certainty and relative dependability of delivery during wartime might well justify the higher costs involved, which would not be prohibitive.

Some phases may be compared.

Regular costs of shipping have no ceilings. War-risk insurance and increased general operating insurance costs resulting from prolongation of sailing time necessitated by the slow convoy system and the use of devious and longer routes to avoid raiding submarines have seriously increased expenses of operation. Some voyages which normally took 24 days now require 44 days and often much longer if ships reach destinations at all. Vessels are frequently unable to get normal bunkerage requirements and other supplies at ports where they were formerly obtained. Purchasing these supplies in other ports is more costly now. Urgent need for strategic materials, with serious shortages rapidly developing, will make it even more imperative to risk shipping if the highway is not used.

Admiral Land's Statement

Emphasizing this phase of the wartime shipping problem is a statement recently made by Rear Admiral Emory S. Land:

"We know that wartime ship operations are inherently inefficient considered in terms of normal procedure. They cannot be otherwise. Convoy alone makes that a fact!

"Even a casual study of the global geography of this war and a look at some of the ports we are required to use reveals why operating efficiency, turnaround, loading, and other necessary operations are extremely difficult. Many ports are being used which were never utilized in peacetime except under emergency conditions. Their facilities, their stevedoring, and all else that makes for successful and efficient operation of shipping are woefully lacking."

Avoiding Quick, Grave Losses

Highway transportation may be difficult and motorized equipment may be damaged or destroyed, but the comparative losses would be much less in equipment and human life than the easy "2-minute" destruction of ships, vital cargoes, and, above all, their heroic and valuable crews. The valor and determination of American seamen has been one of the outstanding chapters in the history of the war. There are no substitutes for skilled sailors. Recently the Navy announced a merchant-marine casualty list of about 2,300 men dead or missing in a 10-month period. Estimates vary, but it is believed that, in addition to ship and manpower losses, more than a million and a half tons of cargoes have been lost in the "Battle of the Atlantic" since Pearl Harbor. Without more ships we cannot carry troops and supplies abroad to maintain the Second Front and open new fronts. It has been estimated by the Army and Navy that it takes 17 deadweight tons of shipping to transport a soldier 3,000 miles and 3.4 tons of shipping to keep him supplied. The more than 535 ships already lost could have carried an army of more than 200,000 men overseas. The ships could have been used to carry supplies for an expeditionary force of more than 1,000,000 men.

Even though we assume that motor-transport costs exceed wartime shipping costs by a considerable margin, the fact that we have insufficient shipping at any cost to fulfill our needs, should, one feels, eliminate this factor as a basic consideration. Such cost difference as exist when measured by United States prices may be substantially reduced by the lower wage scales prevailing in most South American countries and the added economy of operation of Diesel-motored trucks.

Ports of Accumulation

As a proposed partial solution, a general movement of critical and strategic materials could emanate from Argentina and southern Brazil and accumulate westward through Chile, and northward through Bolivia, Peru, Ecuador, Colombia, and Venezuela, toward seaports situated on the Caribbean Sea and the port of Buenaventura on the west coast of Colombia on the Pacific Ocean.

Secondary roads, airports, and railways are built in and adjacent to this region and around the ports of Maracaibo and Puerto Cabello in Venezuela, and Barranquilla, Cartagena, and Santa Marta in Colombia. Extension and improvement of these secondary roads could be quickly speeded, and these roads could be coordinated with a system of river routes, air lines, and railroads to make these Caribbean ports more accessible. At these "ports of accumulation" there already are storage-warehouse facilities, and more could be quickly built.

Colombia's own road program includes improvement and extension of secondary roads in this area. Another important link, which is nearing completion, is a new highway which will connect Cali and Palmira, Colombia, on the Pan American Highway, with the port of Buenaventura on the west coast. When completed, the new highway will supplement the railroad now operating between Buenaventura and Cali and Palmira, Colombia.

Highways in South America can also serve to draw certain vital materials from the interior and accumulate them at central airports, thus expediting fast air-freight shipments as well as ordinary shipping.

Colombia's 1,000-mile Magdalena River, which empties into the Caribbean Sea, is navigable by 500-ton steamers for a distance of 560 miles, from the town of La Dorada to Barranquilla. Despite irregular steamer service, during 1940 more than half a million tons of cargo and more than 350,000 passengers were transported by this waterway. The Atrato River also is navigable by steamer for 315 miles from Quibdo northward to the mouth of the river in the Gulf of Uraba. From the mouth of the Atrato River steamers can proceed through the Caribbean Sea to Cartagena.

Auxiliary Roads Pushed

Peru and Bolivia, too, are stepping up auxiliary road construction. Nearing completion is a 350-mile highway which will eventually link Lima, Peru, with its eastern lands across the Andes through Tingo Maria, site of a new agricultural experiment station. The terminus of this new road will be the river port of Pucalpa on the Ucayali River. This river is serviced by small river boats which connect with Iquitos at the headwaters of the Amazon River. Ships with a tonnage as high as 3,000 can navigate from the mouth of the Amazon River on the Atlantic Ocean to Iquitos. Thus in effect a transcontinental Atlantic Ocean-Amazon River - Pacific Ocean river-road artery may soon traverse the widest part of the South American continent.

Strategic Equations

From these South American Caribbean ports shipments could be made to the United States. Allied vessels also could make pick-ups for British, Chinese, and Russian distribution. This would eliminate thousands of miles of precarious ocean travel by British and other Allied shipping. For shipments to the United States, this routing would reduce the ocean distance to passage over the Caribbean-Gulf region only. Shipments to Britain, China, or the Soviet Union or other fighting fronts would depend on the particular Eastern Hemisphere port from which the vessel's voyage started. Materials of South American origin could be routed to the port in South America nearest to the Old World port to which the commodities are to be carried—thus reducing the sea distance to a minimum.

The routing, under the proposed plan, would avoid voyaging north or south along the east and west coasts of South America and at the same time obviate the necessity of sailing the long sea distances through the Panama Canal or rounding Cape Horn.

La Guaira, the seaport serving Caracas, the capital of Venezuela, and Maracaibo, Cartagena, Barranquilla, and Buenaventura are all ports within the Army and Navy primary sea defense zone. While this area is not necessarily safe, nevertheless ships convoyed by a moderate number of naval or air units over the shorter water route through the Gulf of Mexico and the Caribbean Sea could provide a maximum relative safety over the minimum sea distance.

Advantages Apparent

Ships crossing the Gulf of Mexico from the "ports of accumulation" could be docked in the United States at Houston, Tex.; New Orleans, La.; Mobile, Ala.; or at Tampico or Vera Cruz, Mexico (highways and railways to the United States border run from these Mexican ports); or at other United States ports adjacent to manufacturing centers or strategically close to Army and Navy establishments, railheads, or inland waterway or river systems. From these ports, rail, river, plane, or truck transportation could assume the final task of domestic distribution of cargoes to inland industrial centers.

Another alternate shipping route is that from the oil center and port of Talara, Peru, or from the port of Buena-

ventura, Colombia, northward up the Pacific coast to the port of Acapulco, Mexico (a surfaced highway connects with the Pan American Highway at Mexico City leading to the United States border), or the ports of Mazatlan, Manzanillo, and Salina Cruz which are connected with the United States by railways—or ships can sail directly to United States west-coast ports. Since Pearl Harbor, Pacific coastal waters have been relatively free of merchant-ship sinkings.

Recently, the Marine Exchange of the Port of San Francisco sent a report to the War Shipping Administration and other Government agencies, recommending that, to save lives, ships, and supplies, the safer Pacific route from the other Americas be utilized more. The report cites the absence of port congestion on the west coast, and the low war-risk rates quoted by underwriters on cargo, as evidence of the desirability of the Pacific route.

Key to Ship-Shortage Problem

If the shipping shortage should get tighter, from the standpoint of shortening the period of exposure at sea, and as regards the availability of ships, the Pacific route is the second best choice. The sea distance would be reduced, but not enough. The Caribbean-Gulf routing is the shortest and would require the least number of ships—which is the key to the release of more ships and the lessening of ship losses.

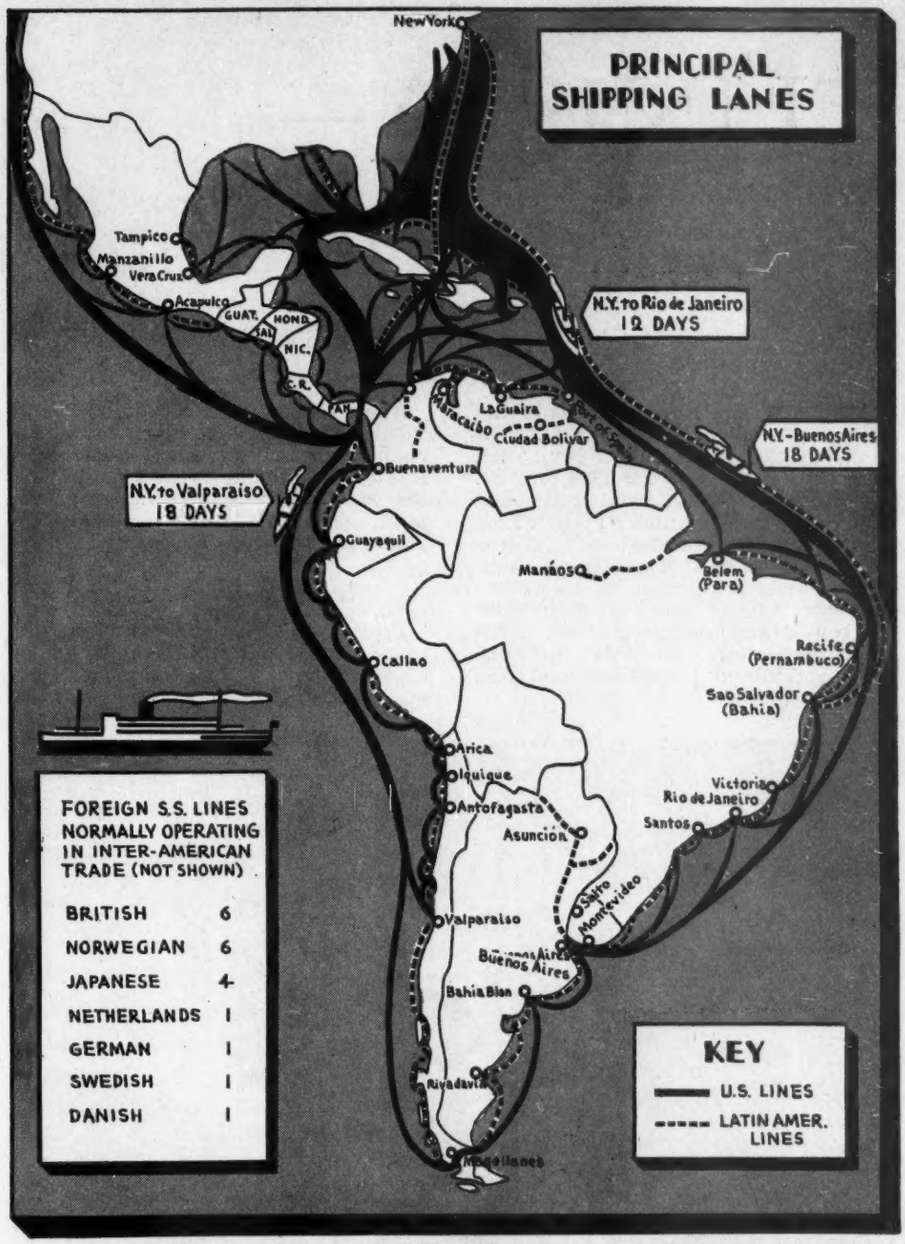
The Pan American Highway could compensate in part when the enormous tonnage and practically the entire convoying strength of the United States and our allies is mobilized for shipping troops and supplies. Every mile of highway built and used now may mean the saving of lives, ships, and vital cargoes of strategic materials for our war industries.

Broad Considerations

The economic, military, and political significance of continuing our trade with the other Americas and utilizing their highways and railroads and the large available labor supply in politically cooperative areas may perhaps equal in importance the entire movement of strategic materials.

During 1941 the United States purchased about a billion dollars' worth of goods from the Americas—almost doubling 1940 purchases. The entrance of the United States into the war in 1941 and the shipping shortage have seriously affected the economies of the other American republics. The development of a modern coordinated all-year-round trucking, railroad, airplane, and shipping transportation system as a solution to this problem would, one feels, be a major accomplishment and a boon to the economies of our sister American republics.

The new sailing-ships project, too, could be dovetailed into this program. Such ships could pick up truck-collected cargoes—which would save tying up larger and more valuable freighters. If the sailing ships confined their operations to the Caribbean and the Gulf, they too could be partially protected, and even the loss of a few would not be very serious.



From "Look at Latin America" (Headline Books); courtesy Foreign Policy Association.

Road's Great Value Realized

These grave developments affecting transportation formed an important part of the deliberations of the Conference of American Foreign Ministers held in Rio de Janeiro, Brazil, last January. At this Conference the representatives were aware that the realistic and basic foundation for a cooperative inter-American program rests on transportation, from which the pyramid of economic, cultural, political, and perhaps military cooperation rises. The Final Act of the Conference embodies a resolution recommending that the Americas "speed up the construction of the unfinished sections of the Pan American Highway and the improvement of sections already constructed so as to provide efficient transportation in the Hemisphere and permit the development of inter-American and domestic commerce, connecting centers of production with centers of consumption . . ."

Development of the Pan American Highway as the "Lifeline of the Americas" should prove of great value in the international effort to maintain a continuous flow of raw materials to United States war industries and a return flow of essential goods to the other Americas.

Cuba's Ministry of Agriculture will reportedly make tests in the exploitation of "marabú" to make wood pulp for paper, as well as for charcoal.

495911—42——2

TUNISIA—
Economy of Vital Protectorate

By PHILIP M. COPP, *Department of Commerce*

SMALLEST and least populous of the French territories in North Africa (area 48,332 square miles; population 2,608,313 according to the 1936 census), the protectorate of Tunisia (technically it is called Regency under French Protectorate) is by no means lacking in economic as well as strategic importance. In the former connection, one may mention especially its riches in products of the soil—grains, olive oil, wines, citrus fruits and dates, livestock products, cork—and subsoil: phosphates, and iron, lead, and zinc ore.

The strategic value of Tunisia is outside the scope of this article, but a mere glance at a map of the Mediterranean Basin is required to reveal its position at the waist of the Mediterranean where large and small islands resemble stepping stones between Europe and Africa.

Racial Elements Mixed

From the earliest times peoples from other Mediterranean areas have landed on these shores. Near the modern city of Tunis, the Phoenicians established Carthage, coveted and later captured and destroyed by the Romans, and it is the region which is now Tunisia that gave North Africa its reputation as the "granary of Rome." The French protectorate over Tunisia has been in operation for about 60 years, through the diplomatic acts of 1881 and 1883. Nominal sovereignty still resides in the Bey of Tunis, but a French Resident General is the actual administrator.

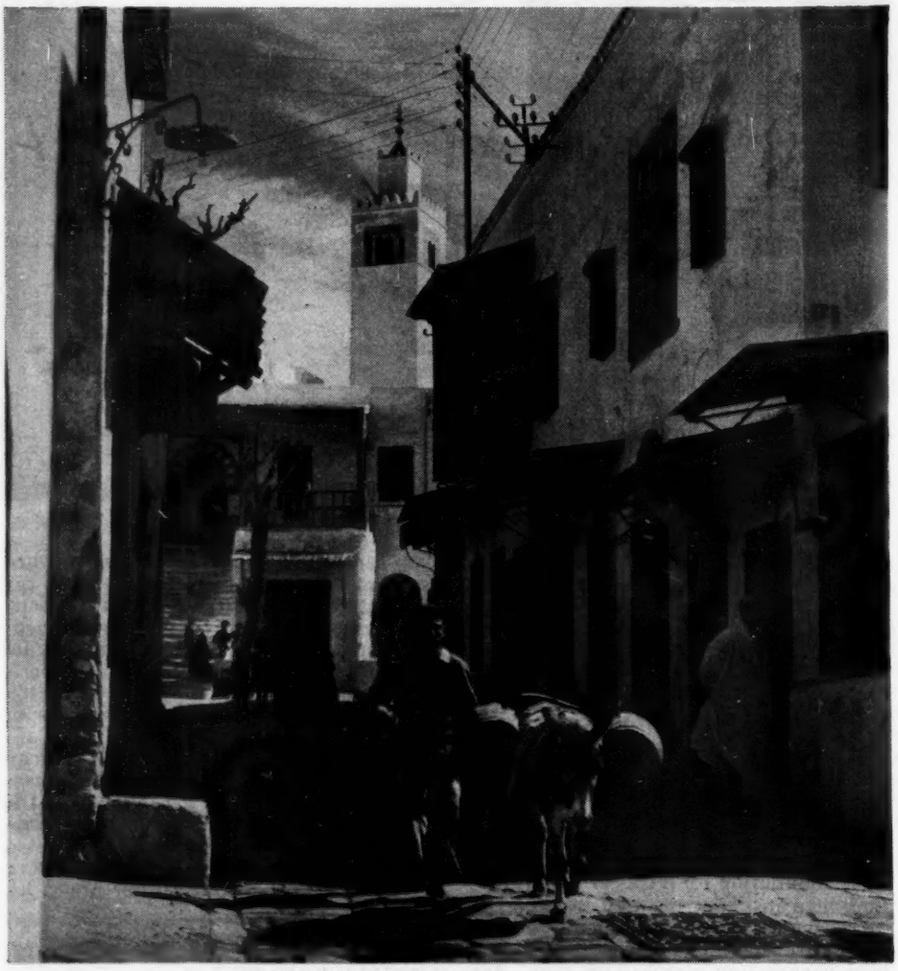


Photo by Maynard Owen Williams; copyright National Geographic Society.

Above the Gulf of Tunis: A four-footed water carrier clatters into the gleaming white town of Sidi Bou Said.

Berbers and Arabs are the principal native elements in the population. Both are Moslems and use the Arabic language, but the Berber population predominates in several northern areas while the largely nomadic or seminomadic Arab population is the more numerous to the south. Large numbers of Negroes and mulattoes are also present. The so-called Moorish population of the cities is a mixture of all the races which have settled successively in Tunisia. A final element in the non-European population is the Jewish, the number of "Israelites" being 59,485.

The European population is relatively small, totaling only 213,205 in 1936, of whom 108,068 were French, 94,289 Italian, and 7,279 Maltese. The Tunisian-born French population has steadily increased, rising from 13,994 in 1911 to 48,334 in 1931 with data for 1936 lacking.

Position of the Italians

Aside from the native Moslems and the French, the most numerous group is the Italians. It should be noted, however, that persons classified as French and Italian include those of such extraction born in Tunisia. (More than half of the persons designated as "French" in the 1931 census returns were Tunisian-born.)

In 1891, 10 years after the foundation of the Protectorate, French inhabitants numbered less than 10,000 and Italian slightly more than 21,000, and there was a further rapid increase in the Italian population during the following 10 years. Since the beginning of the present century, however, the increase in the French population has been much more rapid. By 1931 French and Italians were practically equal in number, and by 1936 there were 108,068 French as against only 94,289 Italians.

To a much greater extent than the French, the Italians are concentrated in the city of Tunis and the neighboring territory, 49,878 (as against 42,678 for

the French) in the city itself and 67,125 (59,373 French) in the "Circumscription" of Tunis.

Tunis the Only Large City

Most of the cities of Tunisia are divided into two distinct parts, the native quarters and the European section. Kairouan, regarded as a holy city by the Moslems, has retained to a large extent its predominantly native character.

Tunis, with a population of 219,578 in 1936, is by far the largest, and is the political capital, the chief port (though its access to deep water navigation is through a 6-mile channel to La Goulette), the terminus of the principal railway, and the center for local industries.

Sfax, second in size to Tunis, had a 1936 population of only 43,333. Other leading towns are Soussee or Susa (28,465), Bizerte or Bizerta (25,872), and Kairouan (22,991). All except Kairouan are seaports.

The recent tendency has been to use the French forms of names such as La Goulette, Bizerte, and Sousse in preference to the more Italianated Goletta, Bizerta, and Susa.

Main Geographic Features

As in eastern Algeria, the two folds of the Atlas Mountains are practically united in Tunisia, and there is little of the plateau land that is found in Morocco and in western Algeria. Thus most of the territory consists of mountains and plains. Unlike Algeria and Morocco, the Protectorate is much longer from north to south than from east to west. Interior districts are more accessible to the sea than those of Algeria because of the long stretch of seacoast to the east.

In the north and northeast, rainfall is relatively abundant from October to April, the remainder of the year being practically rainless. Even in these areas severe droughts occasionally cause crop failures. Toward the south beyond the Atlas ranges the amount of rainfall decreases rapidly.

The only two perennial watercourses are the Medjerda and the Miliane; both of these flow in a generally northeast direction—the former (which is far the larger) rising in eastern Algeria and traversing the whole of Tunisia to empty into the Gulf of Tunis north of the capital city. Other streams are seasonal in character.

Semidesert and desert areas have rather numerous springs, some of salt and others of fresh water. The latter are used for local irrigation providing extensive oases where gardens and fruit trees flourish. The former feed the "Chotts" or salt-water depressions, similar to those of Algeria, the largest being "Chott el Djerid" west of the port of Gabes and marking the north-south transition from semidesert to desert.

The larger cities in northern and central Tunisia derive their water supply from perennial springs in the mountains (some of the aqueducts dating back to Carthaginian and Roman times), but the main reliance of the natives is on rooftop cisterns storing the winter rainfall.

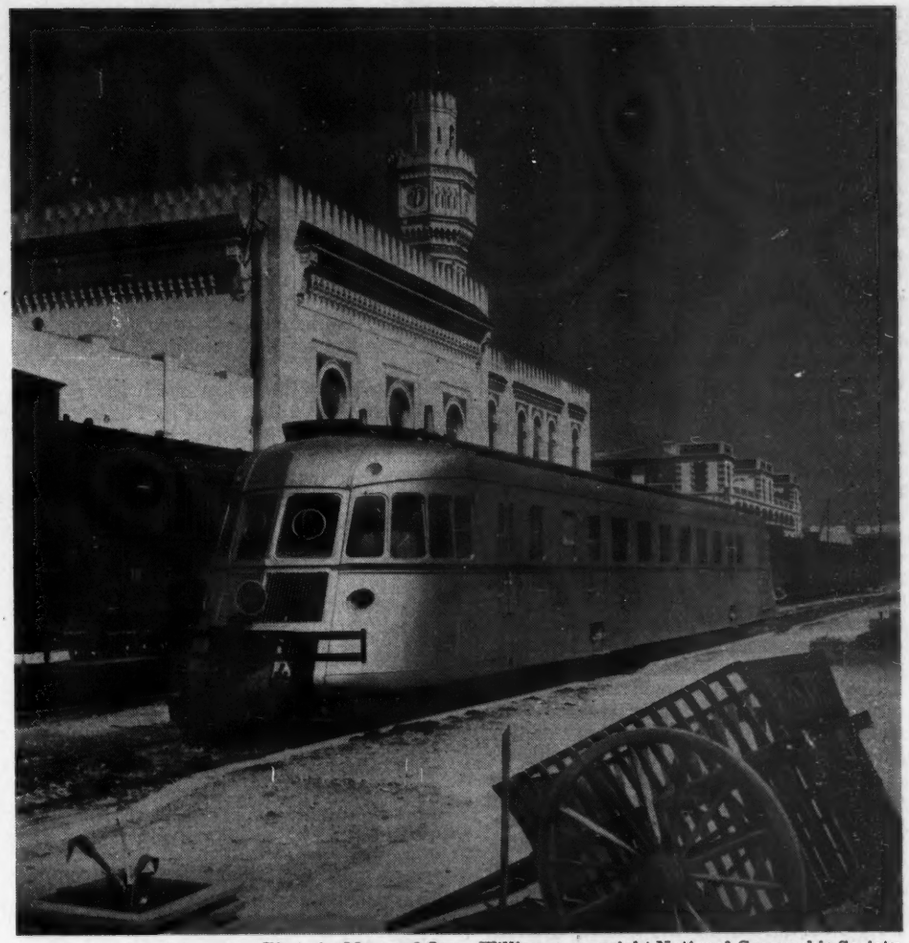


Photo by Maynard Owen Williams; copyright National Geographic Society.

Contrasts, in a scene of present conflict: A streamlined "ship of the desert" pulls up at the station at Bizerte.

For most of Tunisia there are only two seasons—the cool, wet winter and the hot, dry summer. There is a wide variation between day and night temperatures—becoming increasingly marked from north to south.

Seasons—Leading Occupations

By far the principal occupation in Tunisia is agriculture (used in a broad sense to include the tending of vineyards, olive groves, and fruit trees) supplemented by stock raising. Plowable land was reckoned at 7,250,000 acres in 1938 (of which, however, only 3,002,000 acres were actually under cultivation), and in addition 1,556,730 acres were occupied by vineyards, fruit trees, and the like.

Cereal Raising

Most of the acreage actually under cultivation is sown to cereals, especially wheat and barley, although oats and corn are also grown to some extent. The low rainfall (most of the best grain-growing land has a yearly precipitation of 24 inches or less) and the fact that it is largely confined to the winter season make the per acre yield rather low and partial crop failures always a possibility.

Nevertheless, there is nearly always a large enough crop to supply the local population and provide a surplus for export, largely tc France. The greatest acreage is devoted to hard wheat, but more and more of the better land is devoted to soft wheat. The yield per acre of soft wheat has been considerably larger than that of the hard variety and in total crop only a little smaller. The total wheat crop in 1938 amounted to 18,555,000 bushels.

After the German defeat and partial occupation of France, the wheat crop of Tunisia, like that of other French North Africa, gained added importance in eking out the mother country's food supply. Despite shortages of fuel for tractors and deficient supplies of certain fertilizers and insecticides, it has apparently been possible by special effort to maintain production at about normal.

About 60 percent as large an acreage is devoted to barley as to wheat. On account of its greater resistance to drought barley can be grown in regions of lower rainfall and a larger acreage is sown in central and southern districts than in the north. Even for this grain, however, there is often insufficient moisture

and crop failures in the center and south are not uncommon.

Grapes and Olives

Of scarcely less importance than grain in the local economy are wine and olive oil, both of which are primarily "money" crops. Wine is consumed locally only by the non-Moslem tenth of the population and the bulk of the production (normally about three-fourths) is exported to France. Although a large amount of olive oil is consumed in Tunisia, there is also a considerable amount of peanut oil imported normally for local consumption to free the major proportion of the olive-oil output for export.

In the past 2 years, the impossibility of obtaining peanut oil has greatly curtailed the amount of olive oil available for export. In 1938, France and Italy each took about one-third of the exports of edible olive oil and the United States about one-seventh; of the inedible oil, used for soap-making, the United States took two-thirds in that year.

The number of olive trees is being increased steadily; in 1938 there were 17,491,000 trees, of which 4,456,000 were young trees not subject to tax. Tunisia ranks sixth among world producers of olive oil after Spain, Italy, Greece, Portugal and Turkey; production per capita, however, is the highest in the world.

Most of the olive groves are along the east coast, especially in the neighborhood of Tunis, Sousse, Sfax, and Monastir. The largest number of trees is in the Sfax district, which also shows the greatest proportion of young trees. The extension of the area in olive groves is particularly noteworthy in the south, even in the oases of the largely desert Southern Military Territories.

Other Agricultural Products

In addition to the three principal agricultural products, grains, wine, and olive oil, are several others of importance. Of the sown crops may be mentioned beans, chickpeas, flax, and tobacco, of which only the first two figure in the export trade. Among fruits, dates are the most important; two varieties are grown, the soft or pulpy "Degla" grown primarily for export to Europe and the dry variety, most of which are consumed locally.

Citrus fruits are grown and to some extent exported, and there are fairly large numbers of pomegranate, apricot, apple, peach, pear, plum, and other fruit trees. Carob trees are mostly scattered rather than in groves, but there is a small export trade in carob beans.

As in Algeria, esparto grows wild in great abundance, and exports (mostly to the United Kingdom) are a large export item (127,000 long tons valued at $2,500,000 in 1938).

Livestock

As in other French North Africa the raising of livestock, especially sheep and goats, is a leading occupation, but, owing to the smaller area of Tunisia and especially the more restricted amount of plateau land suitable for grazing but not for agriculture, livestock is less numerous than in either Algeria or Morocco. According to official statistics for 1938 there were 2,316,000 sheep, 1,219,000 goats, and 502,000 beef cattle. As might be expected in a largely Mohammedan country, hog raising is negligible.

Of the beasts of burden camels were the most numerous (148,000), followed by asses (135,000), horses (98,500), and mules (55,000).

Sheep and goats are well distributed throughout the Tunisian territory, the former being concentrated to some extent in the easterly regions of Sousse and Sfax.

Animal products are much less prominent in the export trade of Tunisia than of Algeria and Morocco, but fairly large amounts of wool are normally shipped to France, camel and goat hair to England and the United States, cattle hides to France and Tripolitania, and sheep and goat skins to France, other European countries, and the United States.

Cork Chief Forest Product

The forested areas of Tunisia are mostly in the coastal and mountainous districts running eastward from the Algerian border. Additional cork forests center in the Zaghouan mountains near the east coast between Tunis and Sousse. Cork exports are not large and the bulk of the shipments are sent to Algeria—probably to be sent on from one of the Algerian ports.

Other exploitable woods and forest products are the evergreen oak (used for mine props, railroad ties, and lumber), Aleppo pines (for lumber and firewood), and briar root. Some charcoal is also produced and exported. The forests of economic importance cover about 2,500,000 acres, and nearly all are under State control.

Authorized cuttings and sales from the State forests in 1938 included 3,636,000 board feet of lumber, 3,860 metric tons of firewood, 421,650 running feet of mine props, and 4,517 metric tons of cork.

Fish and Sponges

The fishing industry, based on the abundance of choice fish along the extensive coastline, was famous even in Roman times when the emperors imported mullet, eel, and tuna from these waters. The most important food fish is the tuna which visits the gulfs in May and June. Other varieties are the sardines, anchovy, poulp, whiting, mullet, sole, lobster, shrimp, and conger eel. The total catch of food fish in 1938 amounted to 12,110 tons valued at about $1,000,000.

Sponge fishing by natives, Italians, and Greeks is mainly in the neighborhood of Sfax. Production in 1938 is recorded as 117 metric tons; however, over 130 tons were exported in 1938 and over 125 tons each in 1937 and 1936, so that there is evidently some additional uncontrolled production; the value of sponge exports, most of which went by parcel post, was slightly over $500,000 in 1938.

Normally most of the food fish are consumed locally except for exports of canned tuna and of fresh and salted fish to France and Italy.

The crews of fishing vessels numbered about 11,000 in 1938, in addition to the shore fisheries in the lagoons of Tunis and Bizerte, and of sponging vessels about 3,100.

Large Phosphate Producer

Ranking ahead of Morocco or Algeria in North African phosphate production, Tunisia is the world's third largest producer, the output being well below that of the United States, but practically equivalent to the bulkier Russian production owing to a higher average tricalcium phosphate content. Production in recent years has averaged about 1,800,000 metric tons.

The principal phosphate mines are in two general areas, both of which are near the Algerian border: (1) In the region around Gafsa just north of the Chott el Djerid, a tremendous field; (2) in the Le Kef district south of the town of that name where the deposits, though large, are less widespread. In the latter area are also several other mines (lead, zinc, and iron).

Practically the whole production is exported, the principal markets in ordinary times being France, Italy, Great Britain, the Netherlands, and Spain. The importance of this source of fertilizer is due to lack of large deposits in any European country except the Soviet Union.

Activity in phosphate mining is reported to have dropped to not more than 60 percent of normal. Some shipments have apparently continued to go to France and Italy, but in much less than normal volume.

Iron, Lead, Zinc

The three other principal minerals are iron, lead, and zinc ore. All of these are found in several sections of Tunisia, but the chief producing areas are in west central Tunisia just across the border from the Tebessa region of Algeria and in the extreme northwest near the port of Tabarca. Iron ore exports, which reflect production, averaged 858,500 metric tons; it is chiefly in the form of red and brown hematite.

Lead ore is either galena or lead carbonate, the metallic content of the ore ranging between 60 and 70 percent. There is a lead smelter at Megrine, near Tunis, which treats both Tunisian and some of the Algerian ore. In consequence, exports of metallic lead are regularly larger than would be possible if domestic ore alone were smelted.

Other minerals include mercury ore, mining of which began rather recently and reached about 20,000 pounds valued at $17,000 in 1938; manganese, which has not been mined in recent years; copper ore, and salt. Salt is a monopoly of the State, and sales totaled about 129,000 metric tons in 1938.

Domestic Fuel Lacking

There is no coal in Tunisia, and the few lignite deposits are not worked in normal times. Petroleum deposits are also lacking, and there are no important hydroelectric installations. This deficiency in fuel for motive power has seriously affected the mining industry since the collapse of France in 1940, handicapping both mining operations and the transportation of the phosphates and ores.

Manufacturing Scant

Aside from the processing of agricultural products, and the lead smelting already mentioned, industries are of minor importance. The chief food-processing industries are the manufacture of flour, semolina, and macaroni, olive-oil refining, and the canning of vegetables and fish. A byproduct of the olive-oil industry, the production of sulfur oil, has led to the manufacture of a cheap grade of soap. Meat preserving has not developed to any extent, owing to the good market for live animals in Italy, France, and Malta.

The leading branch of local industry is the weaving of rugs and the production of blankets, fezzes, and cloaks or capes. There is some production of bags, sails, and awnings. Most cotton, wool, and silk fabrics, however, must be imported. Lime, plaster, and cement are produced (in insufficient quantities for local needs), and common earthenware is also manufactured. Essential oils and perfumes are produced on a small scale by the natives, especially at Sfax. Large quantities of domestically produced leather are used in saddlery and the making of footwear.

Exportation of manufactured goods, except food products, is confined to small shipments of blankets, fezzes, rugs, cotton fabrics, soaps, and crude tartar (a byproduct of the wine industry). Most of these products except the last (taken by Great Britain and the United States) go to Malta, Tripolitania, or Egypt.

Railways Largely Narrow Gage

Practically the only standard-gage railway in Tunisia is the continuation to Tunis of the line from Casablanca on the Atlantic coast of French Morocco across Morocco and Algeria. Branches of this line lead to the north coast ports of Bizerte and Tabarca.

Instead of standard- and narrow-gage lines south from this trunk line, as in Algeria, Tunisia has a rather complete system of independent narrow-gage lines; one of these runs south from Tunis following the coast line more or less closely and touching the principal ports—Sousse, Sfax, and Gabes, with a branch to Mahdia; three others are roughly east-west lines connecting the principal ports with the mining areas near the Algerian border, Tunis to Haidra, Sousse to Kasserine, and Sfax to Tozeur via Gafsa (this joins the north-south line at some distance from Sfax but is used primarily in traffic to and from that port). There is a north-south line near the Algerian border connecting the Sousse-Kasserine and Sfax-Tozeur lines; and, since the beginning of the war, another from Haidra to Kasserine, begun in 1938 for the military authorities, has apparently been made usable though not entirely completed. Thus there are practically no north-south railway connections except along the east coast and the southwestern border.

The total railway network of Tunisia in 1938 covered 1,310 miles, operated by three companies. (1) the Compagnie Fermiere des Chemins de Fers Tunisiens, a government-controlled company, whose system comprised all the standard-gage steam lines (316 miles) and the meter-gage from Tunis to Sfax with branches (686 miles); (2) the Compagnie des Phosphates et du Chemin de Fer de Gafsa which operates 284 miles of narrow-gage (meter) track, consisting of east-west lines and the extension of the coastal railway from Sfax to Gabes; (3) the Tunis-Goulette-Marsa electric railway consisting of 24 miles of suburban, electrified line connecting the three points named.

Road System

The latest data as to the Tunisian highway system apply to January 1, 1938, when there were 7,683 miles of road, following construction of about 190 miles during 1937. One of the problems confronting the Tunisian government in recent years has been the competition between road and rail services resulting from the fact that most of the main highways in the north and along the east coast followed parallel routes or connected the same points by slightly different routes.

This led to the establishment of a Road-Rail Coordination Committee in 1933; this Committee's principal actions were to prevent (in 1933) increase in the number of motor vehicles carrying merchandise and to impose high taxes on motor vehicles transporting passengers (1937).

As is the case with regard to railways the chief deficiency in the highway system appears to be that of good, all-year roads in the central part of Tunisia, especially in a north-south direction; many of the existing roads in this area are not always usable during the wet (winter) reason.

Ports Mainly on East Coast

Tunisia has 4 principal ports (5 if La Goulette is considered separately from Tunis) and about 18 minor ports. In 1938, the total tonnage of vessels entering all ports was 5,066,873 net register tons, of which 4,832,714 were entered in the leading ports; for merchandise loaded and unloaded the total was 4,060,197 metric tons, with the leading ports accounting for 3,961,665 metric tons. For general purposes it is necessary, therefore, to consider only Tunis-La Goulette, Sfax, Sousse, and Bizerte.

Tunis-La Goulette

Tunis, though the principal port of entry for the Protectorate, is actually on a shallow lagoon, the Lake of Tunis, but a 6-mile channel has been dredged to the Mediterranean at La Goulette. The navigable channel is only 100 feet wide, though the whole canal is about 500 feet wide. Vessels longer than 492 feet or with a draft of over 22.3 feet must remain in the roads off La Goulette. General merchandise is handled at Tunis, and a special dock has been built for loading phosphate rock. The docks at La Goulette have been used chiefly for loading bulk shipments of iron ore and for storage of petroleum products. There is a small drydock at La Goulette. In 1939 there were 11,310 square meters of covered storage space at the Tunis customhouse and 50,000 square meters of open space; in addition, there was a fair amount of private warehouse space (including 3,500 square meters operated by the largest company). The principal types of outgoing merchandise handled in 1938 at Tunis-La Goulette were wines, phosphates, cereals and flour, lead pigs, fruits, and vegetables.

Sfax Is Important

Sfax is second to Tunis-La Goulette in importance. It is chiefly noteworthy as the port of shipment for phosphates and olive oil, and also handles large amounts of alfa and diss fiber. It has deep water quays, covered warehouse space of 4,000 square meters, and special warehouses for olive oil. It is the principal outlet for the large phosphate mines of southern Tunisia (sending out 1,133,439 tons in 1938) and as such handled a larger tonnage of merchandise than Tunis (though surpassed by Tunis-La Goulette combined).

Sousse and Bizerte

Vessels drawing up to 20 feet can enter the port of Sousse. It is the leading port for shipment of alfa and diss fiber, is second to Sfax in olive oil shipments, and also handles a considerable quantity of phosphates (228,517 metric tons in 1938).

Bizerte, the only large port on the north coast, is the best natural harbor in Tunisia. Its use, however, is mainly as a French naval base. Customs warehouses of 850 square meters covered space are supplemented by 3,400 square meters of private warehouses and 3,000 square meters of open customs space. As a commercial port it handles practically all of the iron ore exported, together with a fair proportion of the cereal and dried-legume exports.

Foreign-Trade Movement

Tunisia's imports in 1938 were valued at $44,906,000 and exports at $39,261,000 (owing to the war, this is the latest year for which statistics have been published). The products entering into the trade are such as would be expected in

(Continued on p. 42)

Paper Production Mounts in the "Other Americas"

By CHARLOTTE R. BUDD, *Department of Commerce*

PRODUCTION OF PAPER has taken on a new importance in the "other Americas" now that shipping horizons are narrowing and imports are being substantially cut off. Sharply rising standards of living and expansive educational programs now being carried on have created an unprecedented demand for paper which is severely straining domestic production capacity.

The continent of South America, with an estimated population of 90,000,000, has fewer than 100 paper-manufacturing establishments, compared with the 638 paperboard mills and 194 pulp mills in the United States, serving a population of approximately 134,000,000 and an export market as well.

Obstacles Faced

At first glance at the map of South America, with its vast, unexplored, heavily forested areas, one might be tempted to consider that continent a "natural" for the development of the paper industry. Almost insuperable barriers, however, must be hurdled before full realization of these resources can be achieved.

Some of the countries have little water power, others have no coal or iron—all considered essential to industrial development. Much of the heavily wooded land presents problems which only the scientist can overcome by stamping out tropical dangers that menace health, and by providing an adequate supply of food for workers in these remote areas.

Gradual Progress

A few Latin American countries have accepted the challenge and are developing their paper industries to a considerable extent. In addition to Argentina, Brazil, and Chile, 7 others do a small amount of paper manufacturing. The other 10 depend entirely upon imports to supply their needs. Except for Chile, there is very little west-coast production.

Imports of newsprint into Latin America rate high in importance. In rural districts especially, it serves a double purpose—storekeepers using old newspapers to a considerable degree in place of wrapping paper.

The progress of paper production in the other Americas will be considered here by countries.

Flat-bed presses in a South American printing establishment.

Upward Trend in Argentina

Paper manufacture, introduced into Argentina about 1885, advanced slowly until recent years. The trend for the past decade, however, has been definitely upward. The first World War, the boom years, and the depression, followed by the present world conflict, caused Argentina to develop many of its own industrial resources.

Argentina is not an industrial nation in the sense that this term is applied to the United States. It has neither iron ore nor coal in readily exploitable quantities. Potential water power is remote from the industrial-output center of the country. There are approximately 220,000,000 acres of forests, of which only 2 percent is being exploited. Much of it is inaccessible.

In spite of this, Argentina at present boasts 35 paper mills. Of these, 11 undoubtedly account for a minimum of 70 to 80 percent of the national production, which during 1939 was approximately 130,000 short tons.

Two mills produce wood pulp and straw pulp. One averages an annual production of approximately 17,085 short tons of straw pulp. To this pulp 50 percent high-grade sulphite pulp is added to obtain desired qualities of strength and opacity.

The same company manufactures wood pulp, utilizing poplar, willow, and weeping-willow logs. Its daily capacity is approximately 13 short tons. To date this company has not offered its production on the market but is utilizing it in its own mills.

The last few years have shown an increased consumption of domestic pulp—most important of which is straw pulp. The consumption figure of 23,087 short tons of straw pulp for 1939 represents an increase of more than 6,000 tons over the preceding year, while consumption of domestic mechanical wood pulp doubled from 1,345 short tons to 2,650 short tons. Figures for 1939 show considerably heavier imports of chemical pulp than those for 1938—while the reduction of imports of mechanical pulp was compensated by increased consumption of the domestic product. Imports of wood pulp in 1941 came to 46,320 short tons.

Types of Argentine Output

Argentina's paper mills produce most types of paper consumed in that market, the only exceptions being better grades of book and coated papers, newsprint,

and paper used for printing magazines and other periodicals.

One opportunity of the local industry is the manufacture of container board and the containers themselves. Though this industry is in its infancy, with only two mills of importance, the future is unlimited and a more intensified development is said to be planned.

Another feature of the present market deals with the manufactuer of heavy paper bags used primarily by the cement industry. There are two manufacturers of these bags. Formerly both manufacturers used Swedish or Finnish heavy kraft paper. There are now, however, a few domestic producers of heavy kraft, and one mill in particular has installed an additional paper machine which it hopes to use almost entirely in the manufacture of kraft.

A heavy amount of waste paper—probably 60 percent—constitutes the principal base used in the manufacture of the large volume of law-grade products. Argentina's domestic kraft paper is believed to contain 60 percent fresh sulphate, 30 percent unbleached sulphite, and 10 percent waste paper. This is used for small bags and cheap wrappings.

Total imports of paper and manufactures in 1940 came to 224,325 short tons, 139,491 of which consisted of newsprint.

For a number of years countries of northwestern Europe, especially Germany, held dominant positions in the newsprint market, but late years have shown a decided turn to Swedish, Canadian, and United States markets. There are several hundred newspaper establishments operating in Argentina, which has a population of approximately 13,500,000.

Brazil's "Forward Push"

The end of the last century found Brazil's paper industry just coming into being. Now it ranks as a leading industry—in value of product at least. Until World War I, it had not attained a position of importance, but difficulties encountered in importing paper at that time gave it a great forward push. Since then the industry has developed rapidly, annual production being estimated today at 134,000 short tons.

There are now 37 paper mills operating in Brazil. Practically all types of paper, except fine specialty papers, are manufactured. Recent years have brought about a decrease in the output of confetti and serpentine—a direct result of the decline of the "street" carnival. Manufacture of wall paper has also declined. Items which showed an increase are envelopes, stationery, wrapping paper, and copy paper.

World War II now gives added impetus to Brazil's flourishing paper industry. Extensive plans are being made by owners of various timberlands to install mills for the production of newsprint, book paper, and other materials. Newsprint is extremely important, comprising over 80 percent of total Brazilian imports of paper and manufactures. Newsprint imported in 1940 amounted to 47,960 short tons, while paper and manufactures totalled 56,432 short tons. Brazil, with its population of 39,500,000, publishes about 130 daily newspapers.

It is expected that South America's largest pulp and paper mill will be in operation in Parana, Brazil, some time in 1943. Initial production will be at the rate of 120 short tons of newsprint a day. It is interesting to compare this production figure with that of North America's largest newsprint mill located at Millinocket, Maine, which turns out 750 short tons of newsprint daily.

The Parana mill will also turn out 100 short tons of mechanical groundwood and 100 tons of chemical pulp (sulphite) daily. Only 20 percent of the chemical pulp will be used in manufacturing newsprint—and the remaining 80 percent will undoubtedly be used elsewhere for domestic paper manufacture.

Brazil's Wood-Pulp Situation

Plans exist for the establishment of a wood-pulp industry in Brazil. Domestic production is estimated at approximately 94,800 short tons of wood pulp a year, which is insufficient for domestic needs. The new plans, however, are giving consideration to the possibility of developing an export trade with other Latin American countries. Of considerable importance in the Brazilian paper industry is the supply of water power, which helps to balance the lack of coal.

Brazil's imports of wood pulp increased from 69,885 short tons in 1935 to 93,145 short tons in 1939. Of these it is estimated that 70 percent consisted of unbleached sulphite pulp, 20 percent of mechanical pulp, and 10 percent of miscellaneous types. The year 1940, however, witnessed a decline in Brazilian imports of wood pulp to 70,227 short tons.

It might appear that there are unlimited sources available for the extraction of the necessary pulp. Brazil's forests, many of which have been scarcely touched by saw and axe, comprise approximately a billion acres. Much of the wood, however, is hard wood, which is unsuitable for paper making. The largest source of paper-base stock in Brazil in Parana pine (*Araucaria Brasiliensis*), which flourishes in the three southernmost States, Parana, Santa Catarina, and Rio Grande do Sul. Carnauba straw has also been given serious consideration because of the abundance of this material, which is now burned or utilized only regionally. This is obtained from the carnauba palm which is found principally in the northeastern area of Brazil.

Base Stocks Used in Brazil

Principal base stocks now used consist of mechanical pulp, unbleached sulphite pulp, and rags. Annual consumption of waste cloth, rags, and old paper by the industry is about 600,000 short tons. Because of increased manufacturing activities as a result of the war it is probable that considerably more tons are now being consumed in Brazil. A few mills use rice straw and bamboo, which is found in practically every section of the country, and various vegetable fibers, as raw material. Caroa has been used with success in the manufacture of strong but light copy and air-mail paper similar to that made with bamboo A few years ago it was discovered that cotton linters (third grade), which were formerly used only as fuel, could be used in the manufacture of chemical pulp A substantial portion of the raw-material supply and of the paper manufactures is imported.

Great quantities of paper are regularly needed in such Latin American establishments as this—the rotogravure plant of the great Buenos Aires daily La Prensa.

Only three mills have chemical-pulp installations on a small scale for direct conversion of base stock. A large number of mills are equipped to handle mechanical pulp, while many depend in whole or in part upon imported chemical pulp. Previous to the war the Scandinavian countries, particularly Sweden, had controlled the Brazilian wood-pulp market for a long time. At the present time Canada and the United States supply all of the imports.

In the last 5 or 6 years, Brazil's exports of paper and manufactures have more than doubled.

Thirteen Mills in Chile

The paper industry in Chile is comparatively new. A decade ago the Chilean paper market was largely supplied through imports. Following 1930, however, the depreciation of the peso in terms of foreign currency gave impetus to establishing new paper mills, with the result that imports in 1937 were only 24.6 percent of those for 1930.

Chile now has 13 mills, for the most part located in or near Santiago, which produce newsprint, writing, wrapping paper, cardboard, pasteboard, wall and tissue paper. Total production of paper, board and manufactures is estimated to be approximately 46,000 short tons annually. The official production figure for paper, alone, during 1941 was 41,355 short tons. During the first 5 months of 1942, however, the Government's index of production for the paper industry was 20 points under the index for the same period of 1941, but considerably higher than in the same months of 1940.

The domestic output now meets 78 percent of the Chilean demand and includes all types of paper and paperboard except cellophane, cigarette paper, glassine, dry mats, and some few special papers of small demand. In February 1942 a new industry was authorized, consisting of a paper-bag factory and a cardboard-box factory with an annual production capacity of 100,000 boxes, to be constructed in Santiago.

Chile's Newsprint Prospects

Production of newsprint increased greatly during the past 5 years. Some authorities believe that eventually the country's entire needs may be supplied by Chilean manufacturers. It is estimated that Chilean consumption of newsprint annually amounts to 23,000 short tons, while its import requirements are approximately 11,000 short tons a year. Sixty newspapers are now being published in Chile, which has a population of 5,095,000.

In 1940 Chilean imports of paper and manufactures came to 14,475 short tons, newsprint accounting for 11,590 short tons.

There is but one producer of mechanical pulp in Chile. Several locally prominent businessmen at Valdivia are actively interested in the establishment of a new pulp and paper mill. Although production of wood pulp and paper from Chilean lumber is expanding rapidly, imports of wood pulp in 1940 amounted to 19,495 short tons.

Despite the fact that lumbering is a major industry and there are large areas of forest land in the south-central section of Chile, up until the last 2 or 3 years Chilean paper mills utilized raw material other than native wood, owing to the distance of the timber districts from the mills. The mill at Puente Alto uses some imported pulp, but its chief source is Chilean wheat and barley straw. Its annual output is approximately 5,500 short tons. Equipment is now on order in the United States which, if received and installed, will substantially expand this company's output of mechanical pulp.

Other companies which do not have the equipment to manufacture wood pulp rely on imports of foreign pulp for their supply. Since the invasion of Norway and Denmark these have been obtained from Sweden, Canada, and the United States.

Peru's "Paramonga" Mill

There are four paper mills operating in Peru, one of which is of considerable importance. This mill, the Paramonga, is located at Supe and was established in September 1939. It is currently producing about 4,400 short tons annually, of unbleached sulphite wrapping paper, and it is anticipated that ultimately the greater part of the domestic demand for staple grades of paper will be available from the production of this and other domestic plants. Besides using imported bleached and unbleached sulphite pulp, bleached and unbleached sulphate pulp, soda pulp, rags and waste paper, the Paramonga manufactures for its own consumption chemical pulp made from locally available sugarcane bagasse.

Another mill, La Papelera Peruana, S. A., located at Chosica, produces writing paper in the amount of 2,690 short tons a year. This mill began operations in 1937.

The other two mills confine production to straw boards and white boards. Raw materials employed are paper scrap, kraft, pulp, and bagasse. Bagasse and paper scrap are available domestically, while kraft pulp must be imported. The combined production of these two mills in 1939 was 990 short tons.

Total production of paper and manufactures is about 7,100 short tons annually. Consumption amounts to approximately 20,000 short tons.

Peru's Bags, Wrapping Paper

There are no converting plants manufacturing heavy-duty paper bags used for cement, fertilizer, flour, etc. Imported paper is utilized in packing these products. Some grocery bags up to No. 25 of 100 percent kraft sulphate are produced domestically, the amount of kraft paper utilized in their manufacture being estimated at 496 short tons annually.

The amount of wrapping paper consumed annually in the Peruvian market is 3,495 short tons. Of this amount, approximately 937 tons represent kraft and the balance (2,556) sulphite. Little, if any, wrapping paper is now being imported into Peru, the market being supplied by domestic production. Kraft and sulphite have been produced in Peru only since 1937.

At present there are approximately 66 daily newspapers being published for a population of 7,023,000. In 1940, Peru imported 10,840 short tons of newsprint.

Peru has no wood-pulp mills, the amount required being almost entirely imported. In 1941, imports of wood pulp came to 6,015 short tons. It is believed that wood pulp is utilized for no other purpose than for the manufacture of paper.

Although the eastern part of the country is rich in timber, up to the present time there has been no means by which this could profitably be brought to the coast. The new highways now being constructed, however, might provide a means of transporting the raw materials to the mills, in the event that a survey should indicate the suitability of this timber for manufacturing wood pulp.

Venezuela's Fábrica Nacional

There are but two paper mills in Venezuela. One, the Fábrica de Papel de Maracay, supplies almost the entire amount of wrapping paper consumed there. Virtually the bulk of production consists of wrapping paper and cement bags, although the plant also produces a small amount of newsprint and other printing papers, bond paper, and glazed paper. A new Swedish machine was installed in 1940 in the Maracay mills, which tripled the consumption of wood pulp.

The capacity of the Fábrica Nacional de Papel near Caracas is from 900 to 1,000 short tons a year.

Total imports of paper, paperboard, and manufactures in 1940 came to 14,148 short tons. Seventy-five percent of the unmanufactured, and 90 percent of the manufactured paper came from the United States.

Newsprint is one of the principal imports. In 1940 imports of newsprint amounted to 3,746 short tons, 93 percent of which came from the United States and Canada. Recent reports are that Venezuelan newspapers are suffering from a shortage of newsprint, and some have already reduced the number of pages. The Government has urged newspapers to reduce number of editions printed and to take other conservation measures. Present newspaper establishments in Venezuela number about 25, while the country's population is 3,839,747.

Wood Pulp in Venezuela

No wood pulp is manufactured in Venezuela, the two paper mills depending entirely upon imported wood pulp, waste paper, bamboo, and rags. Total imports of wood pulp in 1940 were 945 short tons. The Scandinavian countries formerly furnished the bulk of wood pulp consumed in Venezuela.

The imported wood pulp is used only for paper making. There is only one

grade of wrapping paper manufactured, a strong white paper finding sale among retailers such as grocery shops, bakeries, etc. A large portion of the imported pulp is devoted to the manufacture of cement sacks, the output of which is of particular importance inasmuch as it fills the demands of the Fábrica Nacional de Cementos, at present producing the greater part of the cement manufactured in Venezuela.

Although plans for the production of wood pulp in the Orinoco River Valley have been considered, operations have never been successfully undertaken. One of the principal drawbacks is the character of the forest growth. Trees suitable to the production of wood pulp do not grow in large stands but are widely scattered and therefore unprofitable to cut.

Experiments have been made with native raw materials, both fiber and wood, for the manufacture of wood pulp, but results were unsatisfactory because the cost of production was considerably higher than the price paid for imported pulp.

Uruguay's Production

There are five paper and cardboard mills in Uruguay. The Fábrica Nacional de Papel manufactures wrapping paper, writing and book paper, absorbent paper, tissue paper, and paperboard. Its daily production is estimated at 22 short tons. The other companies, together, manufacture about 7 short tons of paper daily. In 1939, a new company, the Pamer, announced its intention to erect a mill at Mercedes for the manufacture of paper from wheat straw, production capacity to be 12 short tons daily.

Total paper production in Uruguay in 1940 was 1,790 short tons. Total imports of paper during that year came to 17,850 short tons, 14,700 of which consisted of newsprint. Total annual consumption of newsprint averages 13,228 short tons. The principal newspapers in Uruguay—about a dozen in all—are to be found in the city of Montevideo, the capital. While there are small periodicals in the interior, none is important, and all must rely on Montevideo newspapers for their foreign news dispatches.

Uruguay has a population of over 2,000,000. At present there is an acute shortage of newsprint, and many publications have reduced their number of pages.

Paperboard is manufactured exclusively from paper-waste stock, much of which is imported from Argentina.

Five years ago the Fábrica Nacional de Papel announced its plans to erect in Juan Lacase a modern plant to convert the wheat straw abundant in the country into chemical pulp. The production schedule of this industry has gone far beyond the most optimistic hopes of the establishment, and it is probable that total production will reach 4,400 short tons. Of this, 3,750 tons will be consumed by the Fábrica Nacional de Papel in its production of paper. The excess will be used by two other paper manufacturers in Uruguay.

495911—42——3

During 1940 Uruguay's imports of wood pulp amounted to 6,280 short tons.

Situation in Colombia

Colombia has so far as can be definitely ascertained only one paper mill. Located at Barranquilla, this mill, which began operations early in 1939, is said to have a capacity of approximately 5,000 short tons a year and is equipped to manufacture both paper and board. It is reported to be currently turning out 5 or 6 short tons a day, most of which consists of kraft.

Colombia's imports of wood pulp during 1940 were only 107 short tons.

Total imports of newsprint during 1940 were 6,600 short tons. Most of this came from Canada; the second most important supplier was the United States, followed by Sweden. Combined imports from the United States and Canada came to 75 percent of the total.

The population of Colombia is about 9,500,000. It is estimated that approximately 100 newspapers are published, altogether, though most of them are local in character, with irregular editions and restricted circulation.

Business Small in Bolivia

Until recently wood pulp was neither produced in nor imported into Bolivia, there being no production of paper in the country. During 1940, however, 7 short tons of wood pulp were imported. There is one firm in La Paz producing some 600 short tons of cardboard yearly from waste paper and straw, but all other types of paper products are imported.

In 1940 Bolivia imported 2,890 short tons of paper and manufactures, 1,970 short tons of which were newsprint.

Bolivia publishes 23 newspapers—total population in 1941 was estimated at 3,472,000.

Cuba Faces Drawbacks

Lack of a sizable volume of cheap raw materials precludes the present manufacture of paper to any great extent in Cuba. Timber that could be used is not found in solid stands, and the cost of hauling it to a central mill would make it more costly than the imported product. There are, reportedly, three manufacturers of paper and paperboard in Cuba, having a combined capacity of approximately 25,700 short tons annually from total raw materials averaging about 27,000 short tons. Two establishments turn out both paper and paperboard in the amount of 85 short tons daily, and one confines its output entirely to paperboard.

Products manufactured by the two paper mills include kraft, imitation kraft, screenings, sulphite tissue, colored sulphite, sanitary tissue, towel paper, chipboard, manila and jute liner board.

There is no domestic production of wood pulp in Cuba. Paper and paperboard manufacturers are entirely dependent on foreign sources for supplies of this raw material, but an average of 6,000 short tons of waste paper is obtained domestically. In 1941, imports of wood pulp totaled 16,400 short tons. Imports of waste paper, entirely from the United States (except 6 tons from the Dominican Republic), totaled 2,992 short tons.

Cuban Market for U. S. Paper

For some time Cuba has offered a fairly large market for American paper and paper products. At present there are 15 or 20 large paper houses in Habana which, in addition to importing paper, make up blank books and pads, cut stock to size, and make a wide variety of paper and paperboard products.

It is estimated that the annual consumption of wrapping paper in Cuba amounts to 20,000 to 25,000 short tons, about 90 percent of which is composed of kraft papers and bags and the remainder of sulphite wrapping paper. About 95 percent of the sulphate kraft wrapping paper consumed is of domestic origin, the remaining 5 percent being imported largely from the United States.

There is practically no demand for wallpaper in Cuba, and there is no domestic manufacture of this product. Following an old Spanish custom, which prevails in practically all of the Latin American countries, Cuban walls are usually rough plastered rather than papered.

No newsprint is produced domestically. In 1940 Cuba imported 16,600 short tons of newsprint. At that time imports from the United States showed a tremendous increase, while there was a considerable falling off of European imports. During the early part of 1942 when transportation difficulties caused an extreme shortage of newsprint, the majority of Habana newspapers drastically reduced editions and number of pages. The shortage, while less acute, still exists.

Sixty-four newspapers are published in Cuba for a population of over 4,000,000.

Developments in Mexico

Mexico has 11 well-established paper mills and a few smaller mills. The domestic paper-manufacturing industry is slowly developing, and it is quite likely that present facilities will expand. Annual production is believed to be approximately 87,000 short tons.

Very little, if any, newsprint is manufactured. Mexico has about 80 newspapers; its population totals 19,473,741. Imports of newsprint in 1940 came to 31,092 short tons.

Corrugated shipping containers are manufactured within the Republic, and the entire needs of the country are satisfied by domestic manufactures. Among the products of the mills are understood to be fiber, primary and corrugated board.

Base stocks now utilized by paper and board mills are bleached sulphate, unbleached sulphate, bleached and unbleached sulphite, mechanical pulp, rags, and old paper. Domestic production is not sufficient to satisfy the demand for wood pulp — necessitating substantial imports. During 1940, 40,353 short tons of cellulose pulp and 475 short tons of mechanical pulp were imported into Mexico.

News by COUNTRIES

Note.—Further details of announcements, marked with an asterisk (*), may be obtained by interested American exporters upon specific request to the Bureau of Foreign and Domestic Commerce or any field office of the Department of Commerce.

Algeria

Tariffs and Trade Controls

Temporary Organization of Industrial Production and Distribution.—Trade organizations, grouping all persons exercising the same industrial or commercial activity, are to be created in Algeria when circumstances so require, by French decree No. 1284 of June 13, 1942, published in the French Journal Officiel of June 19.

These groups, which will be similar to the French trade organization committees, are to regulate the acquisition, distribution, storage, sale, and consumption of the products they control.

Argentina

Exchange and Finance

Government Revenues.—Government revenues for the first 9 months of 1942 totaled 785,291,000 pesos, compared with 716,647,000 pesos for the corresponding period of 1941.

Tariffs and Trade Controls

Whole Pepper: Exports Subject to Export Permit.—Exports of whole pepper have been made subject to prior export permit by a decree of the Argentine Ministry of Agriculture dated September 29, 1942, and published in the Boletín Oficial of October 14, 1942. The decree stated that, in view of the limited quantity available, it is necessary to restrict exportation in order to assure an adequate domestic supply.

Transport and Communication

Certain Exceptions in Customs Requirements.—The Argentine customs requires that national boats leaving Argentine ports must carry full cargo. Exceptions to the requirement are vessels going to Uruguay, vessels which navigate on the Parana, Uruguay, and Paraguay Rivers, and certain tankers.

Merchant Marine.—The Argentine Merchant Marine experienced its first anniversary on October 16, 1942, but did not schedule an official celebration until November 6, because of the absence from the capital of the President of the Republic and the president of the Merchant Fleet.

The idea of creating a Merchant Navy in Argentina dates back to the year 1865, but it was not until 1934 that a commission was created to draw up plans for carrying out the idea. The present war, however, provided the real incentive. On January 20, 1940, 5 months after the outbreak of hostilities in Europe, the Argentine Government appointed a Committee for the Formation of a Merchant Marine.

The first units of the New Argentine Merchant Fleet were 16 Italian vessels which were laid up in Argentine ports for the duration of the war. These were purchased from the Italian Government in August 1941. In December of the same year, 4 vessels were purchased from Denmark. Early in 1942, 1 vessel was purchased from an Argentine concern, Delfino y Cía.; and shortly afterward 3 ex-German vessels, which had been taken over soon after the outbreak of war, and 4 transports, transferred from the Ministry of Marine, were incorporated into the fleet.

The Argentine Merchant Marine consists of 189,015 deadweight tons. It has made more than 120 voyages, transporting important cargoes of Argentine products to the other American Republics and bringing back manufactured articles, metals, replacements for machinery, coal, chemical products, newsprint, and all kinds of materials vital to the commerce and industry of the country. The merchant fleet employs approximately 1,250 men, 90 percent of whom are Argentineans.

The Cover Picture

On the Inter-American Highway

The cover picture this week shows the frontier station on the El Salvador-Guatemala border. The completed portions of the Pan American Highway in the Central American countries help materially in facilitating the movement of commodities and of travelers—but, as is made plain in the first feature article in this issue of FOREIGN COMMERCE WEEKLY, it is the highway network *south of Panama* that is now engaging most actively the attention of those who feel that the Pan American Highway can be exceedingly potent in the near future in helping to solve some of the broadest and most significant problems of wartime transportation in this hemisphere.

Bermuda

Economic Conditions

COST OF LIVING

A significant factor in the economic conditions of Bermuda during the third quarter of the year was the rapid rise in the cost of living. The number of rationed articles increased, and the maximum retail prices of many food articles were raised. A Wartime Supplies Commission has been engaging in much bulk purchasing of essential commodities from abroad in order to control imports of nonessentials and to utilize all available allotted shipping space.

GENERAL CONDITIONS

The shipping shortage caused a further reduction in the amount of imports, and horse, cattle, and poultry feed remained scarce. All business has suffered from the local transportation difficulties arising from the shortage of horse feed. The lack of this commodity has also limited the extension of plantings of fresh vegetables to feed the Island's populace, because of inability to plow the extra land needed.

Bermuda's principal export, lily bulbs, had a prosperous year, owing to an increased demand.

The continued scarcity of fuel caused difficulty in providing such essential services as light, telephone, garbage collections, and wholesale deliveries.

Direct commercial wireless service between the United States and Bermuda has been inaugurated.

AGRICULTURE

The ban on canned-vegetable sales was removed because of the lack of fresh vegetables and fruits, including potatoes. It is hoped that the potato situation will be improved by importations in the near future. The shortage of vegetable seeds was overcome by large-scale imports at the end of the quarter, and the canning season reached an unusually high record.

Bermuda took a step toward self-sufficiency during this quarter when the Board of Agriculture undertook a program to raise more vegetables, fruits, and staple products in general. This may

well prove a stepping stone toward solving Bermuda's agricultural problem.

Wartime Commodity Controls

Imported Fodder Rationed.—The Wartime Supplies Commission in Bermuda ordered the rationing of imported fodder of every description, except corn and corn meal and oil meal, effective from October 12, 1942, the date of publication of the order in the Bermuda Official Gazette. The maximum weekly ration of fodder depends upon the type of livestock for which the ration is designed, and varies from one unit of 8 ounces of poultry feed per week for each "growing stock" to 100 pounds of cattle feed per week for each milking cow.

British West Indies

Economic Conditions

SITUATION IN BARBADOS

The most significant factor in Barbados' economic situation during October was the continued rise in the cost of living. Food prices at the end of September 1942 were 66 percent higher than in September 1939. The expenses arising from transshipment of certain imports destined for Barbados—including foodstuffs, fuel, and other essentials—have been reflected in an increased cost to the consumer for these products.

General business conditions were reported as good. There was plenty of money on the island—much of which was received in the form of remittances sent into the country by Barbadian laborers working elsewhere—and spending was very liberal. A scarcity of many imported articles continued, but certain measures designed to improve the shipping and supply situation have been under consideration and are expected to be put into effect shortly.

The sugarcane crop reportedly was making good progress, despite the reduced acreage resulting from the increased planting of foodstuffs. Sugar has moved fairly well to oversea markets, but the shipping shortage, has caused a great hardship in the case of molasses. Unless a large export movement develops, there is a possibility that no molasses will be made next year. Such a situation would bring about extreme privation for many planters and would create even more unemployment than now exists in the vicinity of Bridgetown harbor.

The government's campaign to grow more foodstuffs has greatly stepped up the production of sweetpotatoes and cassava, and, in order to utilize excess production, it has been decided to erect a factory to manufacture flour from the entire surplus of these commodities. In this way, supplies of flour from these root crops will be available throughout the entire year.

In view of the large quantities of sweetpotatoes coming on the market, the government has also decided to reduce the amount of rice allowed to consumers.

A vegetable-marketing depot was established during October to provide growers a guaranteed market for those crops for which a market cannot be found through the ordinary commercial channels.

Canada

Wartime Commodity Controls

Restrictions Applied to Purchase of Nickel-Mill Products.—With the demand for nickel exceeding the supply, the Metals Controller has ruled, effective November 16, 1942, that no person shall purchase or use nickel-mill products except under permit. This order includes all mill products of pure nickel or any alloy containing 50 percent or more by weight of nickel, or nickel plus chromium. It does not include nickel or nickel-alloy castings.

A comprehensive program aimed at effecting substantial reductions in nonessential consumption of nickel has been under way in Canada since June 1942. Orders have been issued during the last few months, placing all dealings in scrap nickel under strict control to make sure that the scrap is channeled into war production or into essential production related to the war. All nickel dealers, buying scrap or selling scrap to smelters, foundries, or ingot makers, must obtain a license from the Metals Controller. Smelters and ingot makers must also be licensed. Since June 1, 1942, no person has been able to acquire any primary nickel for any purpose except with the written approval of the Metals Controller.

Permits Required for Special Electrical Specifications on Machine Tools.—The purchase and manufacture of machine tools with special electrical specifications is prohibited in Canada after November 15, 1942, except under permit granted by the Machine Tools Controller. This order does not affect electrical devices normally supplied on machine tools by producers. The order covers any power-driven machine for the cutting, abrading,

Keen Comments on World-Economy Today

[Thirteenth in a series of excerpts from notable books and speeches]

Rationing and the Rise of a Consumer's Economy

The restrictive aspect of rationing should not obscure the fact that rationing has brought about very significant changes in the methods of distribution. The increasing use of Government-imposed norms in the distribution of goods is a fact at least as important as the compression of levels of consumption, rendered necessary by wartime conditions and inevitable under any system of war economy.

The principles applied by governments are not arbitrary administrative rulings. So far as available supplies permit, food rations are based on objectively ascertainable physiological requirements, toward the determination of which the League of Nations, especially in the field of nutrition, has largely contributed. Furthermore, certain rationing systems not only prevent individuals from purchasing more than their fair share of scarce supplies, but also provide that all, regardless of income, shall obtain their full rations.

Such policies have been pushed furthest in the United Kingdom, but are also being applied in Sweden and Switzerland. In these countries, in the United States and elsewhere, measures designed to improve the nutrition of the lower-income groups were more or less widely adopted before the war.

The distribution systems now developing are thus more than a mere method of restricting individual consumption. They aim, in fact, at securing a minimum diet for the population as a whole and, in spite of the necessary limitations imposed by wartime scarcity, they contain the elements of a distributive system in which consumption is guided not so much by individual purchasing power as by human wants.

This change in distributive methods is not merely a product of present wartime conditions—though it has been speeded up by the war and used as an instrument of war economy—but has roots stretching far into the history of the Western World. It is a further step toward the fulfillment of the concept of minimum living standards—a concept dimly recognized in the Poor Laws and progressively implemented by the successive social reforms of the past century.

The general awareness of this issue—which the war, far from obscuring, has rendered more urgent than before—has found expression in many authoritative statements on post-war reconstruction, including the Atlantic Charter itself, in which freedom from want takes its place among the Four Freedoms. Thus, the study of wartime consumption and rationing is relevant to the problems of the future.

(*From "Wartime Rationing and Consumption," League of Nations, Geneva, 1942.*)

grinding, or shaping or forming of metals, excluding machines which are portable by hand.

New Farm Machinery and Equipment Rationed; Excessive Imports and Production of Similar Goods Prohibited.—New farm machinery and equipment may be acquired by a consumer in Canada only after he submits an application to a dealer giving proof that the material is essential to his operations and such application is approved by the Wartime Prices and Trade Board, according to an order of the Board, effective October 6, 1942, and published in the Canada Gazette, Ottawa, on the same date. The application must carry the dealer's endorsement, consisting of a certificate as to the authenticity of the statement by the applicant, and the dealer's statement that the "trade-in" can be reconditioned or that he assumes the responsibility for its disposal through approved channels for collecting scrap.

Every person who sells farm equipment must declare all new machinery and equipment in his possession or control on October 6. The sale or delivery to any consumer of repair parts or spare parts, designed for the repair or maintenance of any farm machinery or equipment, is prohibited except such parts as are necessary at the time of sale to put such machinery and equipment in good working condition.

Exempted from this order are: track-laying-type tractors, irrigation or drainage equipment, hand tools, and milk-cooler refrigeration units.

Imports and Production Controlled.—The carrying forward of earlier curtailment orders, the importation into, or the manufacture in, Canada of similar equipment during the 1943 period from November 1, 1942, through October 31, 1943, is restricted to a specified class, type, and size of farm machinery and equipment by order of the Board, effective September 12.

Separate schedules for western and eastern Canada have been set up, allocating quotas based on specified percentages of the importer's or manufacturer's respective sales during the period, (1) the calendar year 1940 or, (2) the 12-month period containing the greater part of 1940 for which a return was made to the Dominion Board of Statistics. In lieu of a percentage, a designated number of units to be allocated may appear in the schedules. In such instances, the given number represents the total quantity to be imported or manufactured and the Administrator reserves the right to determine the specific amount to be assigned to the individual importer or manufacturer. Sales may not be made in western Canada of farm machinery or equipment imported or manufactured in eastern Canada, and vice versa.

The importation is prohibited of any horse-drawn grain binders, power binders, or stationary threshers, during the 1943 period.

Importers or manufacturers may not import for sale during the 1943 period attachments and spare parts which contain by weight more than 40 percent or 150 percent, respectively, of the quantity of material contained in imported or manufactured attachments and spare parts sold by the individual supplier in the 1940 period.

Any producer may make application to the Administrator to use materials on hand, in excess of the amount permitted to be used in the manufacture of machinery and equipment subject to quota, for the manufacture of farm machinery and equipment not subject to the control order.

Production for Export Sharply Cut.—The manufacture for export of farm machinery and equipment to the United States, the British Empire (except the United Kingdom), and any other friendly country during the 1943 period, is limited to 25 percent of the tonnage of machinery and equipment, and 150 percent by weight of attachments and repair parts of the quantity exported by any producer during the 1940 period to the same country. Shipments to the United Kingdom during the same period are not to exceed 83 percent of the total tonnage shipped in 1940, and each producer's portion of such tonnage shall be allocated by the Administrator as individual orders are received from the British Purchasing Commission.

Exempted from the above order are the following types of farm machinery and equipment: Track-laying-type tractors; irrigation and drainage equipment; hand tools, such as hand planters and other hand-gardening tools; buildings and repairs thereto; fencing; poultry netting and wire; gates and wire fencing; bale ties and straps; well casing and water pipe; nails and sundry hardware not subject to quotas; and milk-cooler refrigeration units.

"You Said It, Boys!"

Bolivia Establishes New Air Connection With Brazil

The expensive and difficult task of building an air field at the border city of Guayaramerin on the Mamore River in the northeastern corner of Bolivia has been completed by the Lloyd Aereo Boliviano air lines of Bolivia.

The Mamore River forms the boundary between eastern Bolivia and Brazil. On the opposite side of the river from Guayaramerin is the Brazilian town of the same name (Guajara-Mirin is the spelling in Portuguese), which serves as the southern terminus of the famous 228-mile Madeira-Mamore Railway. This railway connects Guajara-Mirin with Porto Velho on the Madeira River.

Since September 10, planes have stopped at the new Guayaramerin airport on weekly passenger and mail flights between La Paz, capital of Bolivia, and Riberalta and other towns in the Provinces of Beni and Pando.

The Panair Lines of Brazil now operate an air-mail service from Belem (Para), near the mouth of the Amazon River, up the Amazon and Madeira Rivers as far as Porto Velho. This air line is expected soon to be extended 228 miles farther to Guajara-Mirin. When the new extension is established a transcontinental air service will be in operation from the Pacific to the Atlantic across the widest part of South America, over the Andes Mountains and down the Amazon River to Belem.

Because of construction difficulties at the site of the airport at Guayaramerin, an unusually large financial investment was required. Part of the site was swampy, and most of it was covered with heavy jungle growth. Including the radio station and other buildings, the cost of this new airport is expected to exceed 1,000,000 bolivianos.

Tariffs and Trade Controls

Meats and Meat Food Products Imported for Use of the Armed Forces of the United States in Canada Exempt from Inspection and Certification Requirements.—In order to facilitate the delivery by the United States of supplies of meats and meat food products to the armed forces of the United States in Canada, an order in council, effective October 27, 1942, exempts, for the duration of the war, such meats and meat food products from the Canadian inspection and certification requirements which ordinarily apply when such products are imported into Canada. The acting Minister of Agriculture recommended suspension of the Canadian import formalities, because all such products are subject to inspection and approval by officials of the Bureau of Animal Industry of the United States Department of Agriculture.

Goods Previously Entered for Consumption May Be Reentered After Temporary Exportation, Duty-Free and Tax-Free.—Duty-free entry has been accorded imports into Canada of "goods, which have once been entered for consumption in Canada and have been exported therefrom, under such regulations as the Minister may prescribe" by the establishment of a new tariff item (709a) published in Memorandum series D, No. 47 (T. C. 91), issued by the De-

partment of National Revenue, Ottawa, November 2, 1942. To obtain the duty-free concession, goods must be returned to Canada without having been advanced in value or improved in condition by any process of manufacture or other means or combined with any other article abroad. It is provided further that any such goods on which a refund of duty or allowance of drawback has been made, shall not be admitted to enter under this item except upon payment of duties equal to the refund or drawback allowed.

Exemption from the war exchange tax and the special excise tax has been granted also.

This order places imported goods, exported and returned, on the same basis as goods the growth, produce, or manufacture of Canada which are granted free entry when returned to Canada after having been exported therefrom.

Fewer Subsidies Paid on Specified Imports.—A number of imported commodities have been excluded from subsidy under price control or declared ineligible for subsidy unless, prior to importation, arrangement had been made with the Commodity Prices Stabilization Corporation, according to a statement of import policy by the Wartime Prices and Trade Board published in the Canada Gazette, November 6, 1942.

The expanded list of goods for which subsidies will be paid only, if prior to importation an arrangement respecting subsidy had been entered into with the Commodities Prices Stabilization Corporation, includes the following, effective November 7: starch, dextrin, molding compositions and other primary forms of pyroxylin, cellulose nitrate, cellulose acetate or other plastic material; common and colorless window glass, cane and rattans, not further manufactured than split; osiers or willows and bamboos unmanufactured and bamboo reeds cut to length; also button blanks and ivory nuts for use in the manufacture of buttons.

In announcing the changes in the schedules, it is explained that although Canadian production of window glass is not sufficient to meet domestic requirements, present stocks of British glass in the country are ample, and an adequate volume of imports is coming in without subsidy. Further, it is considered desirable that no subsidies be paid on plastics for use in the manufacture of luxury products. Vegetable ivory is made eligible for subsidy under prior approval because it is the only raw material which can be used by some Canadian button-making machinery.

Cleaned rice, when imported by manufacturers of cereal foods for use in the manufacture of cereal foods, and prunes are specifically excluded from import subsidy as of November 7, and retroactively to September 18, respectively.

Exports of Certain Fruits and Vegetables: Subsidies Must be Remitted to Commodity Prices Stabilization Corporation.—The amount of subsidy paid to canners of certain fruits and vegetables under the Maximum Prices Regulations must be refunded to the Board when the goods are exported from Canada by a middleman, according to a memorandum issued by the Department of National Revenue, Ottawa, dated October 27, 1942. When the goods are exported by the packer, no subsidy is claimed.

The commodities involved in the above order are: Fancy, choice, or standard grades of Bartlett pears, peaches, corn, green and wax beans, all sieved and ungraded peas, and tomatoes; tomato juice, fancy or choice; plums and Kieffer pears, choice or standard.

Checks made out to the Commodity Prices Stabilization Corporation for the amount of the subsidies involved, covering goods in the original application for an export permit, where an export permit is required, are to be remitted to the Export Permit Branch of the Department of Trade and Commerce, Ottawa. To safeguard against any difficulty in the element of tolerance created by a discrepancy in the amount of goods actually shipped and the amount listed in the application for an export permit for which a check has been submitted, collectors of customs are permitted to allow the shipment in excess of the amount stated on the application, but must report the increase to the Export Permit Branch of the Department of Trade and Commerce. By this method shipments are not delayed. The collectors may freely allow the tolerance, without advising the Export Permit Branch, when they are satisfied that the shipment is being made by the actual packer and not by a broker or middleman.

Control of Lumber Exports to the United States Tightened.—The previous exemption from export permit requirement on exports of sawed or hewn timber, boards, planks, and scantlings of cedar, Douglas fir, hemlock, spruce, white pine and soft woods, n. o. p. from Canada to the United States has been canceled, effective November 9, 1942, by memorandum WM No. 39, fourth revision, supplement 8, issued by the Department of National Revenue, Ottawa, dated November 3. The above products now require an export permit for shipments to any destination except the British Empire. Birch and maple logs also require an export permit when shipped to any destination except the British Empire, effective November 2.

Cedar logs and white-pine logs are still exempted from export permit requirement when shipped to the United States and the British Empire, although exports of cedar shingles to any destination were made subject to permit October 9.

Shipments of newsprint to any part of the Western Hemisphere, except to French colonies or possessions, do not now require an export permit, by order of the Export Permit Branch, effective November 2.

Chilean Coal To Be Exchanged for Argentine Gasoline?

Argentine officials are considering exchange of Chilean coal for Argentine gasoline, according to a report from the Inter-American Development Commission in Buenos Aires.

The fuel problem in both countries has been aggravated in recent months by withdrawal of additional ships from inter-American trade routes. Argentina has imported most of its coal and Chile all of its petroleum.

While Argentina does not fully supply its petroleum requirements, that country has an increasing output from its own wells. Present Argentine oil output is estimated to be more that 60 percent of domestic requirements.

On the other hand, Chilean coal mines are among the most productive in Latin America. Chile's coal production has increased until that Republic is now reaching the status of an exporter of coal.

Argentina has been rearranging merchant-fleet schedules with the object of routing more ships into the west-coast trade. Apparently these schedules will fit in with plans for importing Chilean coal in exchange for gasoline.

Oh, Yeah!

Ceylon

Tariffs and Trade Controls

Umbrella Parts: Import Duties Reduced.—Import duties in Ceylon on the following unassembled parts of umbrellas have been reduced from 15 percent ad valorem to 10 percent ad valorem, in the schedule of general rates applying to goods of non-British origin, and from 10 percent ad valorem to 5 percent ad valorem in the schedule of preferential rates applying to goods of British Empire origin: Sticks and handles (other than of wood), ribs, stays, runners, notches, cups, ferrules, and paper covers.

Chile

Exchange and Finance

Exchange Situation.—At the end of October the Exchange Control Commis-

495911—42——4

sion authorized approximately $200,000 of unfreezing operations through the largest Chilean bank, and allocated exchange for further operations of this nature through the branch of a foreign bank. It is expected that the total has reached, or will reach, $1,000,000 or more.

As of October 25, dollar exchange resulting from the exportation of the following Chilean products could be sold at the "D. P." (31 pesos per dollar) rate: Chilean handicraft, including Indian rugs, ponchos, and knitted goods; elaborated copper and silver articles, such as ash trays, bowls, and fruit platters; and domestic ceramic art.

City of Santiago Finances.—On October 27, 1942, the Mayor of Santiago declared during a meeting with the city counselors that he would not approve any new expenditure for 1943, no matter what the object.

He proposed a budget for the Municipality of Santiago, for 1943, of 99,000,000 pesos, although income of only 69,000,000 pesos is in sight; in other words, new income must be found to cover almost one-third of the Municipality's anticipated expenses for next year. In addition, there was a carry-over deficit of 22,000,000 pesos at the beginning of this year, and, with other obligations contracted during the year, the deficit has climbed to 29,600,000 pesos.

On November 2, the municipal counselors rejected the mayor's budgetary proposal for 1943.

Colombia

Tariffs and Trade Controls

Cocoa Import Quotas Established.—The importation of cocoa into Colombia has been limited to 1,400 metric tons for the remainder of the current year, by decree No. 1748 of July 18, 1942, effective the same date. Import quotas of 2,800 metric tons for 1943, 2,000 metric tons for 1944, and 1,200 metric tons for 1945 have also been established. According to the decree, the Office of Control of Exchange and Exportations will grant import licenses quarterly, authorizing applicants to import in each quarter up to one-fourth of their yearly quota. Individual yearly quotas will be fixed by the Ministry of National Economy in proportion to the productive capacity of the chocolate factories.

The decree further provides that if the price of domestic cocoa falls below 8 pesos per arroba of 12½ kilograms in the markets in the producing regions, the Ministry of National Economy will order the Office of Control of Exchange and Exportations to suspend the granting of import licenses. Correspondingly, if there is a scarcity of cocoa because of poor harvests, monopoly, or undue speculation, the Office of Control of Exchange and Exportations may permit imports over and above the quota limits. After January 1, 1946, import licenses will be granted only when there is a shortage of cocoa for any of the above reasons.

"Oh, Call It by Some Better Name!"

The chairman of Canadian Pacific Steamships, Ltd., announced recently that, in order to rid so fine a ship of so unfortunate a name the steamship *Empress of Japan* has been rechristened *Empress of Scotland.*

The ship, member of the famous "White Empress" fleet now clothed in gray, holds all speed records for trans-Pacific crossings.

Cuba

Exchange and Finance

Government Finances. — Revenues credited to the regular budget during the period January 1 to November 7 totaled 79,463,000 pesos, according to preliminary figures released by the Cuban Ministry of Finance, compared with 63,862,000 pesos in the corresponding period of 1941. The current-year total, however, includes receipts from several special funds which in previous years were administered separately. Moreover, during 1941 customs revenues and other similar receipts, totaling 2,000,000 pesos, were not credited to the regular budget, but were diverted to the repayment of a similar amount advanced to the Government in December 1940 by the Cuban affiliate of an American oil company. Allowing for these and other factors, regular budgetary revenues during the 1942 period exceeded those of the corresponding period of 1941 by approximately 3,815,000 pesos.

The budgetary receipts for 1942 do not include the 5,635,000 pesos collected under the Emergency Tax Law of September 8, 1941; the proceeds from certain taxes created for defense and other emergency purposes, in December 1941 and February 1942, totaling 5,014,000 pesos; nor 6,093,000 pesos from taxes established to service the $25,000,000 loan.

Regular budgetary expenditures during the 1942 period totaled 87,867,000 pesos, compared with 66,132,000 pesos in the corresponding period of 1941.

As the foregoing figures show, expenditures during the 1942 period exceeded budgetary receipts by 8,404,000 pesos, compared with a deficit for the equivalent period last year of 2,270,000 pesos. The deficit for the current year has been reduced to 4,562,000 pesos, however, by the transfer to budgetary receipts of a part of the proceeds from the tax surcharges created by the Emergency Tax Law of September 8, 1941.

Budget for 1943.—The President, in a message to Congress on October 31, asked the Legislature to enact a budget law for 1943, limiting budgetary expenditures to approximately those recommended by the President in the original 1942 budget project, which was submitted to Congress with his message of October 31, 1941, and on which no action was taken.

According to the local press, the President in his recent message estimated the 1943 budgetary revenues at 90,000,000 pesos, as against expenditures of 89,994,000 pesos. These figures compare with estimated revenues of 89,375,000 pesos and authorized expenditures of 89,341,000 pesos for 1942, in accordance with decree No. 67 of January 1, 1942, which contained the details of the regular budget for the first quarter of 1942. (The 1942 budget and the budgets for 1939, 1940, and 1941 were merely extensions of the 1938 budget, based on the Budget Law of November 2, 1938, with such modifications as were made from time to time.)

The 1943 budget proposed by the President does not include the previously mentioned increased compensation to Government employees and members of the armed forces which have been in effect during 1942 (except for salaries not exceeding $45 per month) which, as in the case of the other extra-budgetary appropriations approved during 1942 will, it is stated, be continued during 1943 only if funds are available.

Additional Issue of Short-Term Treasury Notes.—Cuban decree No. 3115 of October 28, promulgated in the Official Gazette of October 30, 1942, authorizes the Minister of Finance to issue an additional 2,500,000 pesos in short-term Treasury notes, to mature within 3 months and to be discounted by the Treasurer General of the Republic against any special funds available in the Treasury.

The above issue, which has been denominated series "D," is in addition to the 1,400,000, 1,200,000, and 1,000,000 pesos in short-term Treasury notes (series A, B, and C) issued in accordance with previous decrees, and the proceeds therefrom will likewise be applied to current budgetary expenditures.

As in the case of the previous issues, decree No. 3115 provides that the notes of series "D" will be retired on or before the date of their maturity out of the proceeds from the taxes established for the service of the $25,000,000 loan by law No. 31 of November 22, 1941, or out of other available revenue receipts. Ac-

Taxi Situation in Chilean Capital

Taxi drivers who own their cabs are given preferential treatment in Santiago, Chile. Gasoline may be purchased only for taxis driven by their owners, and no one may maintain more than one taxi in service.

A 50 percent increase in taxi rates was authorized some time ago—but it is reported that prices charged are now so high that this means of conveyance is seldom used except in cases of utter necessity.

cording to article XXX of law 31, any taxes collected thereunder in excess of the loan service requirements will revert to the regular budget. Thus far this year, collections from these taxes have totaled 6,093,000 pesos, and, as to date no part of the loan has been received by the Government, the 1942 loan service requirements, if any, will be negligible.

Issue of Additional Silver Certificates.—Additional quantities of silver certificates received from the Bureau of Engraving and Printing in Washington during the fortnight ended November 7 have brought the total face value of such certificates received thus far this year to 48,000,000 pesos.

Of the silver certificates received, the Cuban Government has to date issued, under the authority granted it by the law of May 2, 1942, a total of 20,408,000 pesos backed by $15,000,000 gold bullion and $5,000,000 in United States currency, equivalent to $0.98 for each peso issued.

Habana Customs Collections, October.—Collections at the Habana Customhouse totaled 1,845,000 pesos during October, compared with 2,785,000 in October 1941.

Tariffs and Trade Controls

Price Commission Established.—An "Advisory Commission on Prices" has been established in Cuba to assist ORPA (Office of Price Regulation and Supply) in regulating and revising prices of articles of prime necessity, according to resolution No. 55, published in the Gaceta Oficial of October 23, 1942. The commission is purely an advisory body directed to report through its President to the Director of ORPA on changes which it may recommend for prices of imported merchandise and domestic prime necessities, after taking into consideration the factors that influence the cost of production, transportation charges, and the like.

"Local Commissions on Price Fiscalization and Information" have also been established in the several Cuban municipalities to enforce and make recommendations on the price regulations set by ORPA for articles of prime necessity.

Brazilian Train Uses Diesel Oil from Coal Deposits

A Diesel train of the Central Railroad of Brazil recently completed a round trip from Rio de Janeiro to Sao Paulo using Diesel oil extracted from bituminous deposits (State of Rio Grande do Sul). The railroad's officials said that the new fuel gave ample satisfaction.

Brazil, in view of the ocean tanker shortage, has been turning to its own coal deposits for fuel. These deposits on the whole are of lower grade than imported coal. Nevertheless, Brazil has been expanding the use of its own coal.

In addition to domestic coal, Brazil has been consuming increasing quantities of wood from its forests in place of imported fuel.

Denmark

Tariffs and Trade Controls

Supplementary Trade Agreement Concluded with Sweden.—A supplementary agreement providing for an exchange of goods between Denmark and Sweden during the second half of 1942, to a value of 8,500,000 Danish crowns (about $1,785,000) each way, has been concluded recently, according to European press reports of October 23, 1942.

By the terms of this agreement, Denmark is to make additional shipments of foodstuffs, including 5,000 metric tons of sugar, and 150 metric tons made up of preserved eggs, skimmed milk, preserves, artificial honey, "ovomaltine," and tea substitutes. In return, Sweden is to send Denmark lumber, pulp, paper, pig iron, rolling-mill products, machinery, and tools.

[For details concerning the original agreement governing trade between Denmark and Sweden during the second half of 1942, see FOREIGN COMMERCE WEEKLY, October 3, 1942.]

Supplementary Trade Agreement Concluded with Switzerland.—An agreement supplementing the trade agreement of June 26, 1942, providing for an exchange of goods between Denmark and Switzerland has been concluded recently, according to European press reports of October 23, 1942.

By the terms of this supplementary agreement Denmark is to export to Switzerland coffee substitutes, suede leather, trout and other foodstuffs, to a total value of 1,500,000 Danish crowns (about $315,000). Switzerland is to furnish Denmark silk thread for the shoe industry, gas-works compressors, and spare parts for textile machinery, to a slightly lower total value.

The trade agreement of June 26, 1942, provided for an exchange of Danish fish, coffee and tea substitutes, skins, machinery and unspecified industrial products for Swiss yarns, textiles, hides, chemicals for the medicinal, leather, and textile industries, and machinery.

Dominican Republic

Exchange and Finance

Limit of $50 United States Currency Allowed Travelers Entering or Leaving Dominican Republic.—The maximum amount of United States currency which travelers to or from the Dominican Republic may carry has been reduced from $150 to $50, according to decree No. 343, issued November 5, 1942.

The purpose of the decree is to adopt a regulation similar to the one enacted by the Treasury of the United States on October 16, 1941, which limits to $50 the amount of United States currency a traveler may bring into the United States.

Maritime Communication, Switzerland-Argentina

Maritime communication between Switzerland and Argentina was inaugurated recently with the arrival in Buenos Aires of the Swiss merchant vessel *St. Cergue.* Establishment of this new service is significant, as is evidenced by the increased value of trade between the two countries during recent months. The value of Argentine exports to Switzerland during the first 8 months of the current year totaled 29,300,000 pesos as compared with 10,900,000 pesos in 1941, while Argentine imports from Switzerland over the same period rose from 15,400,000 to 24,000,000 pesos.

The Swiss Merchant Marine, with an initial fleet of 11 vessels, was created by a decree of the Swiss Government dated April 9, 1942, the place of registry of its vessels being Basel. Before that date the Swiss Confederation maintained its oversea trading connections by means of vessels chartered from other countries.

The *St. Cergue* is a modern cargo vessel of 7,600 tons, built in England in 1937. She sailed from the Italian port of Genoa in late September on her initial voyage to Buenos Aires under the Swiss flag.

Tariffs and Trade Controls

Tax Established on Meats Destined for Further Processing.—A federal tax of $0.01 per kilogram, gross weight, was imposed on meat obtained from cattle slaughtered in municipal abattoirs or under municipal control which is to undergo further processing, according to Dominican Republic law No. 70, published in the Gaceta Oficial of August 13, 1942. The law further states that such meat shall not be subject to any separate municipal taxes.

A further decree (No. 288, published in the Gaceta Oficial of October 7, 1942) provides that up to January 1, 1943, the amounts collected under this tax will be distributed in the form of a subsidy to various governmental districts according to announced specified percentages, but, after January 1, 50 percent of the tax will go into the general funds of the nation and only 50 percent will be distributed among the benefiting districts.

Meat Products: Improved Standards Established.—The transportation and sale of meat and meat products in the Dominican Republic or the exportation of these products will be prohibited unless previously inspected and marked in accordance with newly established sanitary regulations, according to decree No. 289, published in the Gaceta Oficial of October 7, 1942. These regulations will

become effective upon the opening of the new slaughterhouse and refrigeration plant in Ciudad Trujillo, which is expected to begin operations within a few weeks. The sanitary rules require that animals and their parts destined for ultimate consumption, as well as the actual meat products, must be carefully examined and marked "Inspected and Accepted" before such articles can be put on the market.

Egypt

Exchange and Finance

Current Budget Shows Increase.—Egyptian State receipts and expenditure for the fiscal year beginning May 1, 1942, are estimated to balance at £E53,526,000, according to a law of August 25, 1942, published in the Journal Officiel of that date. This figure represents an increase of £E6,614,000, or 14 percent, compared with the estimated receipts and expenditure for the fiscal year 1941–42.

The most important revenue changes, compared with the estimates for the preceding year, are the expected increases in: customs revenue £E18,567,000, as against £E16,905,000; railway receipts £E9,500,000, compared with £E7,000,000; and revenue from the income tax £E3,810,000, compared with £E2,300,000. The estimates of practically all revenue items are higher than those of last year because of the general increase in the rates of taxation. Anticipated receipts from land taxation are a notable exception, however, being estimated at £E5,463,000, against £E6,389,000 for 1941–42. The decline is expected in view of the Government's having lowered the rate of land taxes paid by small agricultural landowners.

With regard to expenditure for the fiscal year beginning May 1, 1942, the Ministry of Communications is first in order of importance, its total expenditure being estimated at £E10,615,000, compared with £E8,023,000 in the preceding year. The increase in that item results mainly from higher operating costs. The expenditure of the Ministry of National Defense is estimated at £E6,638,000—an amount smaller by £E2,000 than the estimate for the preceding year. Next in order of importance are the following items: The Ministry of Public Works, £E4,758,000, compared with £E4,515,000; the Ministry of Education, £E4,752,000 (£E4,615,000); the Ministry of the Interior, £E3,735,000, (£E3,648,000); the Ministry of Finance,, £E3,432,000 (£E4,189,000); and the Ministry of Public Health £E3,239,000 (£E2,973,000). The figure for payments under the "public debt" account is £E5,257,000, compared with £E4,148,000 last year. A new item of expenditure in the 1942–43 budget is the "cost of living bonus," estimated at £E2,100,000.

Moving It Faster

The thirteenth contract between the War Shipping Administration and forwarding groups throughout the country, under the provisions of the Bland Freight Forwarding Bill designed to facilitate the handling of Lend-Lease shipments at various ports of the United States, has recently been signed.

To expedite movement of Lend-Lease cargo through the port of Baltimore, the contract was signed with the Baltimore Forwarding Corporation, formed expressly to carry out the new legislation. Provision is made whereby all responsible freight forwarders shall be permitted to participate equitably in the arrangement.

France

Tariffs and Trade Controls

Superior Council of Industrial and Commercial Economy Created.—A Superior Council of Industrial and Commercial Economy has been created in France, under the Secretary of State for Industrial Production, to advise on temporary organization of industrial production, by decree No. 1667 of June 6, 1942, published in the Journal Officiel of June 10.

Textile Industries; Coordination Committee of the French Empire Created.—A Coordination Committee of the Textile Industries of the French Empire has been created in France, between the General Organization Committee of the Textile Industry and the Group of Colonial Industrial Productions, by an order of June 11, 1942, published in the Journal Officiel of June 18.

The new committee is to assure equilibrium and development of textile production in the French Empire, by utilizing more fully raw materials, labor, implements, and French capital, to better satisfy the needs of consumers, facilitate exchanges of textile products between different parts of the Empire, and to industrialize the colonies.

Ministry of Agriculture and Supplies Organized.—The Ministry of Agriculture and Supplies has been organized in France to carry out the duties formerly assigned to the directions and services of the Ministry of Agriculture and of the Secretariat of State for Supplies, by a law of May 29 and an order of June 6, 1942, published in the Journal Officiel of June 10.*

*Organization Committee of Farm Work and Threshing.**

*Coffee: Compensation and Price-Equalization Office Established.**

*Automobiles, Cycles and Parts: Special Sales Tax Established.**

*Sugar Beets: Retention Fee Fixed.**

*Tea: Importers Permitted to Prepare Mixture with Substitutes.**

*Seed Grains, Potatoes, and Linseed: Standards of Quality Revised.**

*Clover Seeds Reserved for Sowing Only.**

French Cameroun

Tariffs and Trade Controls

Supplies and Provisions for American and English Armed Forces Exempt from Import Duties and Taxes in Free French Africa.—Supplies and provisions sent directly to the Army, Navy, and Air Forces of the United States and England have been exempted from import duties and taxes in Free French Africa, by a decision of June 24, 1942, of the High Commissioner of Free French Africa, published in the Journal Officiel of French Cameroun on July 15.

Wheat Flour: Importers Required to Keep Stocks.—Importers of wheat flour into French Cameroun are required to keep reserve stocks of flour, in amounts to be fixed by individual notices, by an order of July 8, 1942, published in the Journal Officiel of French Cameroun on July 8. This order also removed the restrictions on the sale of flour and bread.

French Morocco

Quota of Algerian Products Admitted Duty-Free.—The quota of Algerian products which may be imported into the French Zone of Morocco over the Algero-Moroccan border free of import duty and special tax has been fixed at a total value of 50,000,000 francs for the period from July 1, 1942, to June 30, 1943, by a vizierial order of June 16, 1942, published in the Bulletin Officiel of June 26.

Olive Oils: Economic Group Created.—An Economic Group of Olive Oils of Morocco has been created in the French Zone of Morocco, to regulate the production, extraction, refining, exportation, buying, and selling of olive oils, by orders of January 1 and May 12, 1942, published in the Bulletin Officiel of July 10. This order also provides for the establishment of a purchasing office for olive oils.

*Textile Trade and Industry Organized.**

*Oranges: Export-License-Tax Fixed.**

*Goat's Hair: Exportation Limited.**

*Dogfish: Exportation in Brine Prohibited.**

French Oceania

Exchange and Finance

Foreign Exchange Transactions Limited and Controlled.—Authorization from the Office of Commercial Exchange at Papeete, Tahiti, Society Islands, is now necessary for the sale of foreign exchange, which is effected through the Banque de l'Indochine in Papeete. Being the only bank in French Oceania—including the Society, Marquesas, Gambier, Tuamotu, and other small islands—it is the clearinghouse for all financial transactions with the outside world, as well as within the Colony. It is now functioning independently of the parent institution in France or of any branch organization. Only small amounts of foreign exchange

are kept on hand in the form of bank notes. Credit balances abroad, built up largely through the export of vanilla-beans and copra, may be disposed of only in favor of British or American exporters and duly authorized travelers. The latter may buy exchange upon justifiable requests and verification of the need, but exchange for imports is made available only for products the purchase of which has been authorized by the Government.

The disposition of the Colony's credits abroad is doubly controlled—first, by the Banque de l'Indochine at Papeete, and, second, by the British or American Government, as the case may be, since transfers abroad by banks in the United States and British areas are controlled by their respective governments.

Although limited transactions between Tahiti and London still are effected, for all practical purposes exchange operations are now carried on only with the United States and British areas in the Pacific. Even the latter, as a practical measure, are handled by the Banque de l'Indochine largely through the medium of its dollar exchange held in the United States.

Rates of exchange for the dollar and pound sterling quoted at Papeete have, since 1939, invariably been as follows:

	Buying	*Selling*
New York or San Francisco: Francs to the dollar	43.60	44.00
London: Francs to the pound sterling	176.60	177.20
Auckland: Francs to the New Zealand pound	141.00	143.00
Sydney: Francs to the Australian pound	140.50	142.50

Operations with New Zealand and Australia are dealt with at parity with the exchange of those countries in relation to the pound sterling and dollar. The bank's commission and expenses of each transaction are in addition to the rate of exchange. Although rates of exchange for the dollar and pound sterling may be quoted at Papeete, the Tahitian franc is unquoted on the New York, London, Auckland, and Sydney markets. The Colony has at its disposition only the foreign exchange which it receives for its exports and services rendered, and it cannot procure additional exchange by selling francs abroad.

Haiti

Tariffs and Trade Controls

Distillery Apparatus, Copper Receptacles and Parts, Foodstuffs: Reexportation Prohibited.—The prohibition on the reexportation from Haiti of specified products, established March 19, 1942, has been extended to include distillery apparatus and parts and copper receptacles and parts, according to decree law No. 169, of July 15, 1942. In addition, foodstuffs have been prohibited reexportation according to a communiqué, which has the force of law, published in Le Moniteur, August 10, 1942.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

Honduras

Transport and Communication

Transportation Situation Somewhat Improved.—The shipping situation on the north coast of Honduras improved slightly during September, but gasoline and tire shortages continued to be serious problems in the central and southern sections.

Construction of the Portrerillos-Tegucigalpa highway is going forward.

Mexico

Wartime Commodity Controls

Commission Created Regulating Price and Distribution of Cement.—A commission for the regulation of the cement industry has been established in Mexico, under provisions of a Presidential decree, published and effective October 29, 1942. The Commission is a consultative body of the Ministry of National Economy, created for the purpose of fixing the maximum prices at which cement may be sold and for procuring supplies of cement for the Federal and State Governments and industrial enterprises, in accordance with their actual needs. It will also determine the quantities of cement to be distributed by factories and other authorized distributors, and will undertake studies for the purpose of improving cement distribution.

The Commission will be headed by the Minister of National Economy, who will act as president, and will include one representative of each of the cement factories in the country.

Panama

Economic Conditions

Gas rationing became effective simultaneously in the Republic of Panama and in the Canal Zone on October 1 as scheduled, and a resultant diminished movement of private automobiles has already been noted. The spirit of cooperation is reported to be excellent throughout, and the Government and people of Panama appear conscious of the need to tighten their belts in respect to gasoline rationing as an aid to the effective war effort of the United Nations.

In an effort to combat the disruptions brought about by the rationing of gas and tires, new regulations have been promulgated, and aids to economical use of motor transportation have been invoked. The Traffic Section of the National Police announced the outlawing of cruising taxis and "chivas." Busses

Official OWI Photo

and chivas servicing interior points are no longer permitted to pick up passengers on the house-to-house basis. The Section of Control of Public Utilities has issued rules governing the operation of all commercial vehicles, instituting priorities for shipments of different types to various points, and covering different classifications of merchandise. The elimination of some bus stops, especially on grades; the designation of regular station stops; the increase of bus service to certain points and the elimination of other services during slack periods are some of the many steps taken to insure a successful and effective control.

Agriculture

As previously indicated, Panama is anticipating bumper crops this season. A decree has been issued making it unlawful to import rice, the explanation being that there are large stocks on hand and that the Government's agricultural program has resulted in bountiful crops about to be harvested.

The abaca plantings in Bocas del Toro, which are a joint project of the Board of Economic Warfare and the Defense Supply Corporation, have also made encouraging headway, and appreciable quantities of the fiber have already been sent to the United States.

The first crude-rubber shipment from Panama was ready for export by the middle of October; it is expected that the total yield of the Republic will amount to about 400 tons per annum.

The Government continues to push its agricultural program, although considerable embarrassment was caused by the delay in receiving allocated agricultural machinery from the United States. Imports in the first 6 months of 1942 of agricultural implements were only 18 percent of the comparable dollar volume for the same period of last year.

Owing to the shortages occurring from the nonarrival of fresh frozen meats,

(Continued on p. 36)

News by COMMODITIES

Beverages

Production of Rum in Jamaica

Although final figures on the 1942–43 Jamaica rum output are not as yet available, trade sources estimate that it will be in the vicinity of 19,500 puncheons. (1 puncheon=110 gallons.)

Chemicals

New and Enlarged Chemical Plants in Canada

A new chemical manufacturing company, to be known as Stormont Chemicals, Ltd., has recently been established by the Canadian Department of Munitions, according to press reports.

The Consolidated Mining & Smelting Co. of Canada, Ltd., is further enlarging its chemical plant at Warfield, British Columbia, according to press reports.

Increased Production in Canadian Compressed-Gas Industry

The three principal products of the Canadian compressed-gases industry—oxygen, acetylene, and carbon dioxide—showed increased output in 1941, according to a report by the Dominion Bureau of Statistics.

Production of oxygen amounted to 356,633,855 cubic feet, an increase of 38 percent. The output of acetylene increased 15 percent to 71,791,386 cubic feet, and carbon dioxide showed a gain of 18 percent, totaling 16,805,039 pounds. There was an increase of 25 percent in hydrogen production, which amounted to 57,566,031 cubic feet.

Aqua ammonia, anhydrous ammonia, nitrogen, and nitrous oxide were other products of the industry; they were produced in about the same quantities as in 1940.

German Explosives Company Increases Its Capital

An important explosives company in Upper Silesia, Sprengstoffweke Oberschlesien, G. m. b. H., has increased its capital from 500,000 reichmarks to 6,000,000 reichmarks according to British press dispatches.

This apparently marks a shift of the important I. G. subsidiary explosives plant from the Rhineland to a location less vulnerable.

India's Production of Crude Sulfur

Companies in India are being urged to investigate the possibilities of using crude Baluchistan sulfur, in view of the present difficulties in obtaining supplies from abroad.

Deposits discovered in Baluchistan are now being worked by the Government. The sulfur is taken to the nearest railroad for transport to other parts of India. An organization to sell and distribute the ore is being set up under the Directorate General of Supply, New Delhi, according to the Indian press.

Efforts will be made to supply ore containing not less than 50 percent of sulfur. The impurities which occur with the sulfur are not of a harmful nature, it is reported, and consist chiefly of silicious material and calcium sulfate. Free sulfuric acid ocurs to about 1 percent. The crude sulfur is said to be free from selenium and bituminous matter.

It is considered that crude sulfur can be used in sulfuric acid plants employing the chamber process and also in sugar refineries if certain modifications are made in existing burners. There may be some difficulties, because of the impurities present, but these, it is stated, are likely to be compartively minor in character.

The Department of Supply recognizes that for some purposes refined sulfur is essential and it is considering the erection of a refinery; it would be some time, however, before such a plant could be completed.

Spain's Chemical Industry Active

Two companies in Spain are now producing trichlorethylene, Sociedad Electroquímica de Flix of Flix (Tarragona) and Casimiro Busquets, Barcelona, a Spanish chemical magazine reports.

Acetic acid is being made by several companies, three of them in Barcelona, according to the same source.

Salt for the Cows of Peru

The Peruvian Chamber of Deputies has given its approval to a measure requiring the Government to distribute free to small farmers and stock breeders 2,000 tons of specially treated salt.

The salt will contain small quantities of iodine, phosphorus, sulfur, lime, copper, and iron.

In many parts of Peru, especially in the high plateau region, livestock frequently suffers from deficiency diseases due to the absence in the diet of one or several of the above minerals. The absence of these elements retards growth and prevents the animals from breeding.

This "mixed salt for livestock" will be prepared according to an official formula and will be sold to stock breeders at cost.

Authorizations to build new chemical works have been granted to Industrias Químicas Reunidas S. A., of Barcelona, and to Don Felipe Llopis Lopez, the latter to erect a new plant in La Felguera, Oviedo.

Construction

Peru Plans New Iron and Steel Works

A contract has been signed for the construction of blast furnaces and iron and steel works at the Port of Chimbote, Peru, according to trade sources.

Lathe Factory to be Erected in Stockholm, Sweden

A factory for the manufacture of turret lathes will be built at Stockholm, Sweden, for Lidkoping Mekaniska Verkstads A. B., Lidkoping, Sweden. Cost of the factory will be 1,500,000 crowns (approximately $357,142).

New Steel Mill in Union of South Africa

A new steel works is being constructed for the South African Iron and Steel Industrial Corporation at Johannesburg, South Africa. Equipment for the plant is being manufactured in the United Kingdom, South Africa, and the United States. The chief electrical gear will be supplied by the United Kingdom. This mill will be a valuable contribution to the creation of a large industrial center in the Transvaal.

Venezuela's New Asbestos Plant

A new asbestos plant is now under construction at Tinaquillo, Venezuela. The new factory is expected to have a capacity of about 20 tons a day. The asbestos will be sent to factories in the United States where it will be used for insulating purposes.

The company building the factory has a concession of over 1,000 acres. The region in which the plant site is located is reported to have first-class asbestos deposits covering more than 15,000 acres.

The company is working in close cooperation with the United States Bureau of Mines. It is capitalized at $675,000.

Electrical Machinery and Equipment

Czechoslovakia's Electrification Program

The Slovakian Government is deeply interested in the electrification of the

country and is providing a subsidy to aid in the development of a comprehensive electrification program.

During the first 2 years of Slovakian independence, more than 150 communities were electrified, and a total of 850 of the 2,700 communities in the country had been connected with the power network by January 1, 1942. A 5-year plan, now in process, provides for the electrification of an additional 728 towns at the rate of about 145 a year.

A far-reaching electrification program for farms and agricultural industries has also been outlined. Under this plan, electric power will be made available to 100 mills, 25 tile factories, 40 sawmills, 15 dairies, 225 cold-storage houses, 18 bakeries, 15 large kitchens, and numerous small enterprises.

As part of the effort being made to concentrate all forces in the electrical industry, Slovakia's five public-utility companies are being consolidated, the West Slovakian Electrical Works, A. G., in Bartislava having been chosen to absorb the others. The name of this company is to be changed to Slovakian Electrical Works, A. G., and its capital increased to 107,400,000 koruny (approximately $25,828,000).

More Electric Power for Estonia

Additional electric power is to be obtained in Estonia through greater use of water reserves, according to reports. It is estimated that the rivers are now supplying approximately 100,000 kilowatts and that this amount could be increased to 150,000.

Conservation of Switzerland's Electric Power

Demands for electric current are steadily increasing in Switzerland, mainly as a result of industrial expansion, and all consumption is now restricted so as to prevent the depletion of reservoirs and a consequent serious power shortage during the period when rivers are normally lowest.

Orders issued October 5, 1942, require that store lighting be cut 50 percent, and that lighted advertisements and electric lights in store windows be extinguished at 7 p. m.

Householders have been instructed to use electricity sparingly, especially during factory peak hours. The general use of water boilers of less than 50-liter capacity is not restricted, but water is to be heated for bathing only on week ends. Consumers with boilers of more than 50-liter capacity and with no other means of heating water may use them, but on weekdays only from noon until 2 p. m. and between 5 p. m. and 8 a. m.

Electricity is not to be used during factory peak hours for heating rooms, except in districts that are more than 800 meters above sea level. There, the restriction applies only from 10 to 12 a. m. on weekdays.

The use of current in apartment houses, hospitals, hotels, and similar establishments is limited to 85 percent of that consumed during the corresponding month of the period October 1940 through March 1941. Heated water for bathing and toilet purposes must be curtailed 50 percent.

Exceptions will be made in cases of severe illness, homes where there are small children or old persons, doctors' offices, and in other situations in which strict enforcement of the regulations would result in great hardship.

Industrial consumption is limited, the amount of power allowed depending upon the quantity used previously, the number of employees, and several other factors. Bakeries, grain mills, grass-drying plants, desiccating and refrigerating plants, and military and police establishments, however, are at present exempt from the order.

Silver Premium: 700 Percent

So scarce has silver become in the Nazi-occupied Netherlands that the recently withdrawn silver "rijksdaalder," a coin nominally worth 2½ guilders (about $1.35) now sells for from 15 to 25 guilders (about $8 to $13.50), the newspaper Het Vaderland of The Hague reports.

This high premium on silver was revealed when nine persons were arrested in Utrecht for illegal dealing in silver coins withdrawn from circulation by the Germans in an effort to increase the Reich's metal stocks.

A hairdresser was accused of being leader of the group, which included three bank clerks, and operated throughout the eastern part of the Netherlands. A house-to-house search by the Nazis resulted in the seizure of coins worth 7,000 guilders (about $3,800), but this represented only a small part of the group's working capital, the newspaper says.

Foodstuffs and Allied Products

Situation in Nigeria

Food production in Nigeria during the first half year ended March 31, 1942, kept pace with demands, although requirements of the Military Authorities continued to increase, says the African press in describing Nigeria's efforts at self-sufficiency. There was no serious shortage of any essential foodstuffs.

The production of maize in the Southern Provinces was satisfactory and Nigeria is now exporting some to the Gambia. The Abeokuta Province alone produced at least a 4,000-ton surplus. However, this was all absorbed locally and it is doubtful whether any great quantity remains to be marketed.

There is a big internal trade in yams—3,000 tons being exported from the Abeokuta Province, 7,000 from Ilorin, and 2,000 from the Idoma Division by rail, during the 6-month period. Military requirements, which included large amounts for export, have not been met entirely, but the quantities supplied have been considerable.

Despite the increase in rice production in recent years, the demand still exceeds the supply. In the Niger area, estimated production in 1941–42 rose to some 12,000 tons, and in Sokoto it probably rose to at least 22,000 tons, an increase of 3,000 tons over the preceding season.

In the Abeokuta area, rice production last season exceeded local requirements by some 2,000 tons. The area planted this year was much greater and a surplus of between 3,000 and 4,000 tons is expected. A concentrated drive for increased production of rice has been made, and large quantities of seed have been distributed in many new areas.

Northern Benin and Southern Zaria are promising new areas and there are signs of increased interest in the Eastern Provinces and the Benue area. In Southern Zaria the production of rice in 1940 was nil; but in 1941 production amounted to 25 tons and an increase is expected in 1942.

The new wheat crop was expected to exceed that of 1941 The use of local flour for mixing with imported flour has now been made compulsory. The milling is being done at Kano. Every effort is being made to develop the production of wheat in the Bamenda area, and promising results have been obtained from some of the new varieties introduced from South Africa.

Sixty new sugar crushers from India have been distributed, and the output during the coming season should be about 900 tons, of which about 600 tons will be required by the Army.

During the first half year, ended March 31, 1942, the Blaize Institute at Abeotuka produced 13,275 bottles of fruit squashes and 11,900 pounds of jams and marmalades. The total for the 12 months, ended March 31, was 24,122 bottles of drinks and 21,612 pounds of jams and marmalades, almost all of which went to the Army. The Agege Farmers' Co-operative Society also produced 5,031 bottles of fruit juices and squashes during the half year.

Shipments of oranges to the north during the 4 months, October 1941 to January 31, 1942, reached 797 tons, and during the calendar year 1941 amounted to 1,232 tons, compared with 441 tons in 1940 and 328 tons in 1939.

Onions transported south between April 1, 1941, and March 31, 1942, amounted to 2,700 tons, of which 1,120 were shipped by rail, compared with 2,000 tons in the preceding year.

The main sources of supply of eggs are the Kano and Zaria Provinces; the trade is seasonal but important in these districts. South-bound traffic from April 1941 to March 1942 amounted to 642 tons, or approximately 5,000,000 eggs.

It is believed that the 1942 production of butter will surpass that of any previous year. Figures show that 3,806 pounds of butter were produced in Kano in 1940, 41,604 pounds in 1941, and 15,908 pounds for the first 4 months of 1942.

At Vom, 35,906 pounds were produced in 1940, 168,115 pounds in 1941, and 34,159 pounds in the first 3 months of 1942.

Official statistics record the export of 2,190 pounds of ghee (an oil made from clarified butter) in 1941. Seven units for the production of clarified butterfat are now in operation. The total output from these units is between 1 and 1½ tons a month.

The supply of pigs is not yet adequate. The present aim is to produce approximately 300 carcasses per month. With this object in view, the Veterinary Department's piggeries at Vom and those of the Agricultural Department of Shika, Samaru, Daudawa, and Minna have recently been greatly enlarged. During the quarter ended March 31, 77 pigs were supplied to the Cold Store at Lagos, for bacon production. The output of bacon from Vom amounted to 1,400 pounds per month for the same quarter.

Sweden's Exports and Imports

Swedish exports of foodstuffs in 1942 have been almost all barter transactions, according to trade reports.

During the first 8 months of 1942 some 643,000 kilograms of salted herring were exported by Sweden to Rumania in exchange for lubricating oils of a corresponding value. Denmark, the Netherlands, and Belgium received 106,000 kilograms of oats and 20,000 kilograms of wheat from Sweden in exchange for corresponding quantities of seed wheat and seed oats. Norway received from Sweden 300,000 kilograms of horse meat, 25,000 kilograms of reindeer meat, 1,200,000 kilograms of sirup, and 2,600,000 kilograms of Danish sugar for which fish was returned.

Moreover, 3,000,000 kilograms of rye and 8,000,000 kilograms of rye flour have been exported to Finland and 2,000,000 kilograms of rye flour to Norway. The rye was replaced by Sweden taking over a corresponding quantity from a Finnish steamer ice-bound in Visby on the Island of Gotland. The rye flour has been replaced by corresponding quantities of rye from Denmark and Germany. In these cases it was only a question of making advance deliveries of grain in an awkward transportation situation.

The only export of foodstuffs this year having occurred without barter consists of 2,296,000 kilograms of Swedish turnips shipped to Finland and 2,346,000 kilograms of potatoes sent to Finland, Norway, Estonia, and Belgium. For the sake of comparison it is noted that the Swedish potato crop in 1940 amounted to 2,295,000,000 kilograms.

Consequently, the Swedish food supply has not deteriorated through food exports. This has been made possible by the Swedish trade policy to replenish supplies of foodstuffs considerably. During the first half of 1942 Swedish imports of foodstuffs were valued at 169,000,000 crowns (4.20 Swedish crowns=$1 United States currency), compared with 126,000,000 crowns in the corresponding period of 1941. The value of the foodstuffs exported during the corresponding periods amounted to 14,000,000 and 29,000,000 crowns, respectively. Thus the import surplus for the first half of 1942 was 155,000,000 crowns, against 97,000,000 crowns during the corresponding period of 1941.

Argentina's New Motor-Fuel Proposal

The recent session of the Argentine Congress considered, but did not act upon, a proposed law calling for the construction and installation of alcohol distilleries in Argentina for the manufacture of motor fuel, using corn, wheat, barley, and other national products as raw materials.

A message accompanying the draft of the law submitted to Congress through the Ministry of Agriculture stated that technical reports indicate that mixing alcohol with gasoline improves the quality by increasing the octane rating. The program would furnish a use for corn as well as by-products of the sugar and wine industries.

An investment of 24,000,000 pesos is proposed for the erection of plants having a total annual minimum capacity of 110,000,000 liters of anhydrous alcohol of 99.8°. Use of a motor fuel composed of a mixture of gasoline and alcohol containing not less than 10 percent alcohol is contemplated. Use of pure gasoline would be illegal.

It is explained that the extra price to be charged for the new fuel would amortize the investment in 2 years, while the increase in mileage obtained would more than offset the increased price to the consumer. Besides utilizing national products, the program would permit reduction of crude-petroleum imports, thus saving tanker space and foreign exchange.

Tea and Cocoa

Exports from British West Indies

During August 1942, 809 hundredweight of cocoa was exported from Grenada, compared with 2,054 hundredweight in the corresponding month of 1941.

Exports of cocoa from January 1 to August 31, 1942, amounted to 57,962 hundredweight, against 51,403 hundredweight for the corresponding period in 1941.

Cocoa Production in Dominican Republic

The harvest of the winter crop of cocoa in the Dominican Republic had commenced by the end of October, and the trade estimates that, between then and February 1943, approximately 7,000,000 kilograms of cocoa will be produced.

Cocoa exports from the Dominican Republic for the first 7 months of 1942 amounted to 14,181,609 kilograms, compared with 11,043,755 kilograms in the first 7 months of 1941, according to the Statistical Bureau of the Domican Government.

Although official export statistics are not available for August and September 1942, it is reported that approximately 20,000 70-kilogram bags of cocoa were exported in small lots during these 2 months.

The trade estimates that cocoa stocks on hand have been reduced to approximately 80,000 70-kilogram bags. The trade further states that since shipping difficulties had been anticipated, almost all the cocoa that is now on hand was fumigated and specially prepared to stand a long period of storage. As a result of these precautionary measures, it is believed that these stocks can be kept in storage until about the middle of January without serious danger of loss.

Dominican Republic producers are receiving from $4.75 to $5 per 50-kilograms for their cocoa, compared with $7 per 50-kilograms paid a year ago. However, this is reasonable, in view of the fact that the current New York market price is only $8 per hundred pounds.

Masonite in the Bulrushes

Bulrushes may furnish the basis of a new industry in Jerusalem—the manufacture of pressed masonite boards.

Experiments by refugee Jewish scientists reportedly show that bulrushes make excellent insulating boards and that these boards are better than cork for interior insulation for tanks. Because of their present usefulness, the sale of reeds from the Lake of Huleh in northern Palestine for other than military purposes is restricted by the government.

Mozambique's Tea Industry

Commenting on the threatened shortage of tea in South Africa, the Lourenço Marques press suggests that the time is ripe for Mozambique to develop its tea industry. The item further states that Mozambique produces very good tea and that 529,287 kilograms were exported in 1940. Since then, it is said, tea planting has been conducted on a larger scale and with enough to supply local demand and plenty for export. The Colony should be able to supply the Union of South Africa with several brands of fine tea.

Grain and Products

Exports of Rice From the Dominican Republic

The Dominican Republic will export 35,000,000 pounds of rice in 1942, according to trade sources. Earlier estimates placed exports for the 1942 calendar year at 20,000,000 pounds, compared with 8,659,000 pounds last year. Shipment of rice during the first 4 months of 1942 amounted to 14,000,000 pounds.

Ecuador's 1942 Rice Yield

Ecuadoran rice planters profited by a record harvest of 1,400,000 quintals and a strong demand for their product abroad. September prices were held down by a Presidential decree limiting exports, but upon its removal prices on the local market immediately jumped. The Government was careful to authorize for export only the surplus remaining after home needs had been adequately provided for. The majority of contracts were for shipments to Venezuela. The failure of the Peruvian rice harvest forced that country to enter the Ecuadoran market and it was reported that some 70,000 quintals had been sold. Panama, Bolivia, and Cuba also showed interest in purchasing rice. Prices quoted for milled rice were $5.35 per quintal f. o. b. Guayaquil.

Cereal Crops Grown in Egypt

The estimated 1942 Egyptian cereal crop will meet all local needs—the result of efforts made by the Egyptian Government to grow more cereals and less cotton.

The millet harvest for 1942 is estimated at 8,822,000 ardebs (1 ardeb=5.44 bushels), against 3,352,000 ardebs in the preceding year. As a result, the Ministry of Supplies decided during the 3 months ended September 30, 1942, to use millet with wheat flour in the making of bread. This will help to alleviate the expected shortage in wheat production which is estimated at 8,411,000 ardebs, against the average annual wheat requirements of between 8,700,000 and 9,000,000 ardebs.

The 1942 maize crop is estimated at 11,418,000 ardebs, compared with 9,158,000 ardebs in 1941; rice at 945,000 daribas (1 dariba of nondecorticated rice=294 kilograms), against 606,000 daribas in 1941; and barley at 2,306,000 ardebs, compared with 1,754,000 ardebs in 1941. These crops are considered satisfactory.

It is reported that the policy of the Government is to build up stocks of cereals in Egypt at this time when the supply position is improving so that the basic price of flour may be maintained at its present level well into the future.

Rice Production in Mexico

An early estimate places the 1942 Mexican rice crop at about 6,000,000 bushels, compared with the record harvest of 5,551,000 bushels last year.

Decrease in Turkey's Cereal Crops

Before the war Turkey was not only self-sufficient in cereal production but had a surplus for export. The situation has now changed, and, despite bread rationing and Government control of cereal consumption, the local production is no longer sufficient to meet domestic requirements.

The following figures show unofficial estimates of the 1942 Turkish cereal production, with comparative estimates for 1941:

[In metric tons]

Cereal crop	1941	1942
Wheat	3,000,000	2,300,000
Barley	1,400,000	1,200,000
Rye	430,000	350,000
Oats	200,000	200,000
Corn	760,000	700,000

Climatic conditions in Turkey were not particularly propitious for the growing of cereal crops, and estimates as to the wheat crop have been dropping steadily since early in the season. At the present time estimates vary considerably, and range from a minimum of 2,000,000 tons to a maximum of 2,500,000 tons. There is no doubt, however, that the crop will be short of domestic requirements, and the Turkish Government has for some time been negotiating for the importation of additional supplies. The local press reports that arrangements have been concluded for the importation of 200,000 tons of wheat from the United States with the Turkish Government handling transportation.

One of the reasons advanced for the shortage of cereals during the winter of 1941–42 was the loss of considerable stocks of grain through poor storage by the Office of the Products of the Soil. The grain storage capacity is said to be not more than 100,000 tons, but the construction of additional elevators and silos is contemplated. With the heavy purchases of grain by the Government the question of storage space becomes of vital importance, and the Office has rented or requisitioned a number of ordinary warehouses which have been converted into silos.

100,000 Hoes for Brazil

As one of the results of the accords recently signed between Brazil and the United States during the visit of Nelson A. Rockefeller to the former Republic, the Brazilian Minister of Agriculture has taken steps to order 50,000 hoes, part of a total order of 100,000 which will be distributed to farmers in the northern part of the country.

At the same time the Minister has arranged for the purchase of 500 unmounted silos which will be used in the Northeast.

Meats and Products

Argentina's Hog Industry Establishes New Records

The Argentine hog industry was characterized by all-time record receipts during June, July, and August, resulting in abnormal activity. Prices continued high, but were slightly below the average for the preceding 3 months. Average weights of hogs were about the same as for the preceding 3-month period, but were lighter than for the corresponding period a year ago. Profitable feeding operations continued, as a result of the sustained low prices of corn.

Receipts of hogs at the packing plants and at the Municipal Liniers market established a new all-time record during the 3-month period ended September 30. Preliminary estimates show that receipts during June, July, and August, 1942, totaled more than 609,000 head, compared with 486,000 during the preceding quarter and 370,000 during the corresponding July–September period of 1941. July receipts of 194,800 head established a new record for a single month, then dropped off slightly in August. Preliminary estimates for September show further all-time record receipts of over 239,000, an increase of over 44,000 head or 22.7 percent above the next highest month on record. Reliable local sources estimate receipts of around 220,000 head for the month of October. These local sources also expect receipts to continue large during the months of November and December, and believe that total receipts for 1942 will equal or surpass the preliminary estimates of 2,000,000 head made at the beginning of the year.

The average weight of hogs received during the July–September period was about 105 kilograms, or the same as the average during the preceding 3-month period ended June 30.

Exports of pork, pork products, and lard during the July–September period were each larger than during the April–June period of 1942. The greatest increase was in frozen boneless pork—15,483 metric tons having been exported from July to September, compared with 11,050 metric tons during the preceding quarter. Exports were also considerably higher than during July–September 1941.

Mind and Spirits

Funds resulting from the increased Chilean taxes on distilled spirits which were enacted on October 6, 1942, will be used for the construction of a modern building for the University of Chile at Santiago.

A portion of the tax funds will also be used by the University in scientific investigation and the creation of university schools and agricultural institutes in the Provinces.

Spices and Related Products

Paprika Production in Spain

The 1942–43 production of Spanish paprika is estimated by the trade at from 3,000,000 to 3,500,000, according to an October report. This is stated to be from 1,000,000 to 1,500,000 kilograms less than last season's crop and from 6,500,000 to 7,000,000 kilograms less than during 1934–35, an approximately normal period. The reduction is attributed to lack of fertilizers, the disturbed foreign market, and the use of land for more essential foodstuffs.

Dealers in paprika state that the remaining stock for the 1941–42 season amounts to about 1,000,000 kilograms.

Prices for the present season had not yet been officially determined [in October], but paprika prices under considera-

tion by governmental agencies controlling the trade ranged from 9 to 10.25 pesetas (10.95 pesetas equal $1) a kilogram for the domestic market.

It has been reported that persons interested in the marketing of Spanish paprika and other agricultural products have been meeting in Madrid for some weeks in order to agree on regulations to govern the trade in such commodities.

Sugars and Products

Sugar-Beet Cultivation Expanded in Alberta, Canada

The cultivation of sugar beets in Alberta, Canada, has shown a steady expansion since 1931. In that year 605 growers planted 11,955 acres to sugar beets and the yield amounted to 105,721 tons. Provincial statistics show sugar production as 31,041,500 pounds. In addition to the production of sugar in that year, 22,000 tons of beet pulp and 4,430 tons of Betalasses (a byproduct utilized as stock feed) were produced.

In 1941, the acreage planted to sugar beets was increased to 23,200 acres and the yield to 297,298 tons. This rise took place despite the fact that in this 10-year period prices for sugar beets fluctuated between $5.50 and $7 a ton, the average price of $6.14 a ton being 36 cents a ton less than that paid to farmers in 1931. At the same time, the average yield per acre, because of improved farming methods, increased from 9 tons an acre in 1931 to 12.81 tons in 1941. Production of sugar in that year is shown as 92,567,000 pounds, an increase of nearly 200 percent in 10 years. The production of beet pulp and Betalasses in 1941 amounted to 78,000 and 11,961 tons, respectively.

Preliminary estimates of the 1942 sugar-beet crop in Alberta have appeared in the press as 331,000 tons, of which 266,000 tons were delivered to the refineries by October 20, 1942, the cut-off date. Approximately 65,000 tons of beets will be delivered before the end of the year. The refineries paid $6.75 a ton for sugar beets this year, compared with $6 a ton last year. Although there has been a shortage of labor, it is reported that local residents, European beet workers, Japanese removed from defense areas on the West coast, and students, were mobilized to handle the harvest which was practically complete by mid-November.

Prior to 1941, the sugar-beet industry of Alberta obtained its seed requirements from European markets. As access to such sources of supply was halted by the war, the industry found itself obliged to procure its sugar-beet seeds from the North American Continent, and about 50 percent of the requirements for 1942 were received from Oregon and supplemental shipments from the 250 acres planted to sugar-beet seed near Vancouver, British Columbia. This year 50 acres in Alberta were planted to sugar-beet seed on an experimental basis.

Jamaica's Sugar Production

The 1941–42 sugar crop of Jamaica amounted to 173,891 short tons, or 15,198 tons less than originally estimated. This decrease was caused by the drought in May and the heavy rains in June.

Latest estimate places the 1942–43 sugar crop at 181,708 short tons. This estimate is subject to revision, as the grinding season will not begin until January and weather conditions from now to the first of the year will have to be taken into consideration.

Sugar Shortage in Switzerland

Switzerland consumes about 200,000 short tons of sugar in normal times. Present consumption, however, is much less, owing to severe rationing. The only Swiss sugar factory in Aarberg cannot cover the present demand. The following table gives the production in Aarberg for the years 1936 to 1940:

[In short tons]

Year	Total sugar production	Production from—	
		Swiss beets	Imported cane sugar
1936	28,206	8,929	19,609
1937	34,843	9,314	25,528
1938	45,569	12,125	33,444
1939	47,377	13,338	34,039
1940	51,770	14,230	37,440

Switzerland's imports of sugar increased steadily from 49,383 short tons in 1890 to 78,704 tons in 1900. Approximately 165,345 tons of sugar were imported in 1930 and 222,665 tons in 1939. About half of the last-mentioned quantity was reserved for stocks.

Iron and Steel

Consumption License Required in Argentina

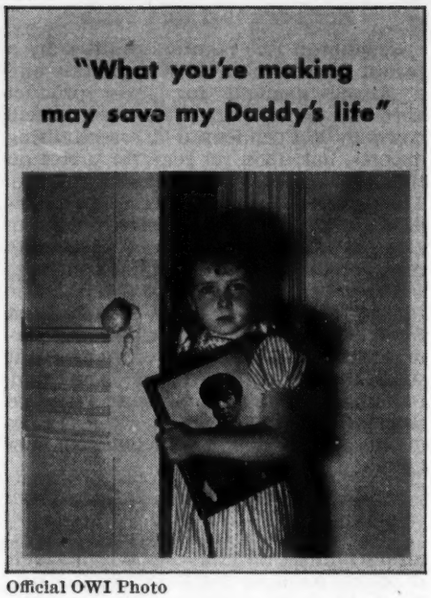
There is a comprehensive licensing system in Argentina, the press reports, for the consumption of iron and steel and products thereof, including pig iron, construction iron, black and white plate, tubes, and wire. A system of priorities also is being established.

Venezuela's New Asbestos Factory

A new asbestos plant is now under construction at Tinaquillo, Venezuela. The new factory is expected to have a capacity of about 20 tons a day. The asbestos will be sent to factories in the United States where it will be used for insulating purposes.

The company building the factory has a concession of over 1,000 acres. The region in which the plant site is located is reported to have first-class asbestos deposits covering more than 15,000 acres.

The company is working in close cooperation with the United States Bureau of Mines. It is capitalized at $675,000.



Official OWI Photo

Production in Denmark's Steel Mills

Production has begun in Denmark's steel rolling mills at Frederiksvark on the island of Zealand, according to the European press, and it is expected that the mills will reach an annual output of 40,000 tons of steel products, using 50,000 tons of scrap iron. It is reported that stocks of scrap iron have been accumulated.

Scrap iron is being used by the cement works "Norden" at Aalborg, where small quantities of local meadow ore are also being smelted.

Restrictions on Manufacture in France

Further restrictions have been placed on the manufacture of thousands of iron and steel products in France, including structural iron and household articles. As a result of this recent action, many small plants are expected to close.

Situation Difficult in Spain

In the iron and steel industry of Spain, a leading producer states that present production costs are out of proportion to market prices, says an article in the European press. The company is also handicapped by the coal shortage—to supply a normal requirement of over 1,000,00 tons of coal, about 300,000 tons are purchased from outside mines.

In 1941 the company constructed a blast furnace and an electric furnace; it extended a tinplate mill; and repaired its plant at Sagunto which had been damaged during the civil war.

The company has formed a subsidiary to undertake the production of ammonia from coke-oven gases.

Production in Union of South Africa

Production of the three principal South African manufacturers of iron and steel for the second quarter of 1942 is reported at 92,294 short tons of pig iron and ferro alloys and 95,117 short tons of open hearth steel ingots.

Sales Restricted in Venezuela

The sale of reinforcing rods and bars in Venezuela has been further restricted. Authorization is required for all sales by individuals, brokers, or commission agents; regular merchants must obtain permission for sales above a certain fixed quantity.

Leather and Related Commodities

Leather and Products

Supplies Limited in Switzerland

Only small quantities of sole leather are available for distribution to Swiss shoe manufacturers, although the leather industry in general has recently shown an improvement.

Hides and Skins

Reduced Production in Chile

Production of sheepskins in the Magallanes region, Punta Arenas, Chile, has been noticeably reduced, since the prospects for next season's market are very uncertain. Within recent weeks, however, shipping space has been easier to obtain at both Punta Arenas and Valparaiso, the point of transshipment.

Tanning Materials

Research and Experiments Carried On in India

The Bengal Tanning Institute has been called upon from time to time to investigate the utility and test the effectiveness of indigenous tanning materials. Experiments have been carried out also on sole leather and on the use of bittern salt in curing hides and skins. Use of Indian tannins in the manufacture of tannic and gallic acids has been investigated. Demonstrations in tanning and in bootmaking and shoemaking have continued during the year, with successful results.

A 3-year course in tanning was inaugurated by the Institute during the year 1940–41 through affiliation with Calcutta University, the Institute acting as a medium in carrying on a program of research and training for the Indian Department of Industries.

Official OWI Photo

Bolivia Increases Tin Production

Bolivia, now the principal source of tin for the United States, increased its production of this important material in 1941 to 42,740 metric tons from 38,531 tons in 1940.

Bolivian tin exports accounted for nearly 80 percent of Bolivia's total export values. About half of the tin exports went to England and the rest to the United States for use in the new tin smelter built at Texas City, Tex., for the handling of Bolivian tin ores.

Since 1941, demand for Bolivian tin has increased to help replace supplies lost in Malaya and the Netherlands Indies. The United States has made a new contract with Bolivian tin producers, providing higher prices and other incentives for expansion in production.

Also showing moderate increases in Bolivian output are tungsten ores, antimony, lead, and copper. Antimony output increased to 14,872 metric tons in 1941 from 11,753 tons in 1940.

In keeping with the main trend toward increased production of metals for war industry was a decline in Bolivia's small output of gold.

Lumber and Products

All cork used in the United States is imported from the Mediterranean areas, where world cork production centers. Total imports of unmanufactured cork into the United States in 1940 amounted to 318,336,000 pounds.

Normal cork production in North African regions amounts to about 60,000 metric tons annually. Exact statistics on recent production are not available, but the amount in 1940 was estimated at about 35,000 metric tons for Algeria, Morocco, and Tunisia combined.

Large stocks of cork are on hand in Morocco awaiting shipment, according to an August report.

Total imports of unmanufactured cork and imports from Northern Africa in the years 1936–40 are shown in the accompanying table:

Year	From Northern Africa	Total imports
	Pounds	*Pounds*
1936	51,290,832	216,390,000
1937	75,477,698	322,898,000
1938	53,127,828	158,381,380
1939	56,308,249	227,574,765
1940	39,415,998	318,336,053

Argentina's Lumber Imports

A comparison of Argentine imports of lumber during the first 6 months of 1942 with imports during the corresponding period in the years 1940–41 is given in the following table:

Item	First 6 months of—		
	1940	1941	1942
Plywood, tons	4,327	7,561	6,387
Douglas fir, M board feet	12,100	9,816	7,872
Southern yellow pine, do	26,835	15,437	4,899
Cask shooks, number	236,309	205,677	221,290
Handles, 100 units	59,674	67,044	69,570

Plywood Exhibit by Canadian Laboratory

The Canadian Forest Products Laboratory has been exhibiting, as an example of wood research, a plywood cylinder about 2 feet long and weighing only one-half pound, which, it is stated, when placed upright, will support the weight of 10 men standing on a platform.

Increased Output of Manitoba's Forest Products

Under the stimulus of war, Manitoba's output of forest products has risen sharply, probably 30 percent in the last 2 years, according to recent trade reports.

The heavy cutting of spruce reserves accounts in part for this increase.

Swedish Company Produces Prefabricated Houses

Prefabricated houses and wallboard are now being produced by the Swedish company, Ankarsviks Angsags AB, in its factory at Johannedal. The company also operates sawmills at Ankarsvik and Karlsvik and a joinery mill at Myrnas.

Ankarsviks Angsags AB observed its fiftieth anniversary in 1941. Its headquarters are at Sundsvall in northern Sweden.

Machinery, Other Than Electrical

Decrease in Canadian Exports

Canada's exports of farm machinery and implements continued to decline in June and July 1942, values for the 2 months being reported as $906,346 and $892,217, respectively. Exports during the corresponding months of 1941 were considerably higher, totaling $1,079,497 in June and $1,273,402 in July.

The following table shows the value of leading items exported in June and July 1942.

Item	1942	
	June	July
Cream separators	$2,836	$605
Milking machines	26,415	36,056
Harvesters and binders	415,475	259,612
Hay rakes	2,948	----
Mowing machines	10,553	742
Combines	200,406	78,368
Cultivators	----	289
Grain drills and seeders	34,534	----
Disk and drag harrows and parts	4,640	2,353
Disk plows	5,082	286
Moldboard plows	79,839	157,768
Threshing machines	1,776	92,284
General repair parts	107,827	152,487
General hand tools	----	6,528
Implements and machinery, n. e. s.	10,645	33,418

Automobile Repair Shops Become "Factories" in Canada

In these days of gas rationing, many automobile dealers are seeking new uses for their tools and equipment. Several dealers in Toronto, Canada, have solved the problem by converting part of their repair shops into small "factories" where they can work on war contracts.

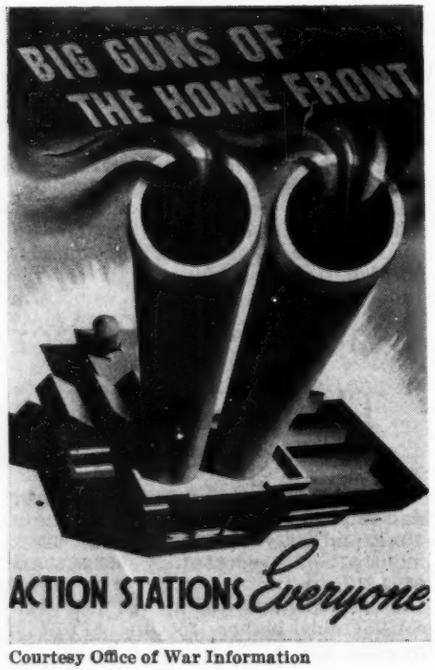
Articles being made include machine tools, fixtures, and dies—all urgently needed by the munitions and aircraft industries. Most of the new "factories" employ from 25 to 35 workers and operate 15 to 20 hours a day.

Medicinals and Crude Drugs

Aloe Production in Netherlands West Indies

Production of aloes in the Netherlands West Indies showed a considerable gain during the quarter ended September 30—600 cases (of 125 pounds each), compared with only 100 cases in the first quarter of the year. Exports amounted to 500 cases during the third quarter, leaving stocks of 800 cases on hand.

Crop prospects for aloes have improved because of a much-needed rainfall occurring recently in the aloes-producing islands of Bonaire, Aruba, and Curacao. An additional 400 cases, it is believed, will be collected during the fourth quarter.



Courtesy Office of War Information

Motion Pictures and Equipment

Motion-Picture Industry in Quebec, Canada

The Province of Quebec, Canada, has only one motion-picture studio. Located in Montreal, the studio is used primarily for the production of short subjects—most of them travelogs or propaganda films. Some news-reel shots of Canadian activities are made for transmittal to United States producers.

The same company reduces many imported full-length, 35-millimeter negatives to 16-millimeter positives for the use of road-show exhibitors who travel through rural districts where there are no regular theaters. Only black and white films can be reduced in this manner; the process is not adaptable to technicolor films.

In 1939, Quebec had 172 regular motion-picture houses, with a total seating capacity of 119,939. It is estimated that there are now 232 theaters in the Province, 64 of them in Montreal, and that 139,529 patrons can be accommodated.

Nonferrous Metals

Deposits of Lead-Zinc Ore Discovered in India

Discovery of valuable deposits of lead-zinc ore near Udaipur, India, has been announced by the president of the Geological Survey. The fact that these metals were not being produced in India indicates the importance of the find.

The British press also reports that mica areas in Rajputana are under investigation, and that production of mica is being encouraged.

Century-Old Lead Mine in India Being Reconditioned

A lead mine that has been idle for a century is to be the first project of the Geological Survey in a plan to develop India's mineral resources.

The mine has been leased to the Government, personnel is to be recruited by advertising, and a number of Indians will be trained in base-metal mining, according to an official report.

Switzerland Reduces Exports of Aluminum

About 80 percent of Switzerland's production of aluminum was exported before the war, but internal consumption has increased to such an extent that only about 40 percent of production is now available for exportation, the European press reports.

Vanadium Mining in Venezuela

For the purpose of exploiting vanadium, the entire territory of Venezuela has been declared a reserved zone, and mining will be subject to special regulations.

Nonmetallic Minerals

Rock-Salt Deposits in Switzerland

Deposits of rock salt in the northern part of Switzerland are reported to be adequate for the country's requirements for an indefinite period. Production figures are not available, but cantonal governments alone are stated to have a revenue of from 8,000,000 to 10,000,000 francs annually from the salt monopoly.

Asbestos Mines in Venezuela to Begin Production

The asbestos mines of Tinaquillo, Venezuela, are expected to begin production in February 1943. The crushing plant, dryer, and other installations are almost completed.

Oils, Fats, and Oilseeds

Argentina's Exports of Lard

Exports of hog lard from Argentina during the first three quarters of 1942 totaled 13,061 metric tons. At this rate, exports for the entire year of 1942 will more than double the 1941 figures of 8,471 metric tons. In 1940, only 2,689 tons of hog lard were exported. Most of the lard is being shipped to Latin American countries.

Production of Vegetable Oils in Canada

In 1941 there were 10 establishments in Canada principally engaged in the extraction or processing of vegetable oils. Formerly the industry handled only linseed and soybeans, but in 1941 a mill for the processing of crude coconut oil began operations. The vegetable-oil processing plants were distributed as follows: Quebec 4, Ontario 2, Manitoba 2, Alberta 1, British Columbia 1.

Output of linseed oil, the principal product, amounted to 6,587,379 imperial gallons, or 59,286,411 pounds. Production of linseed oilcake meal amounted to 52,089 tons.

Consumption of flaxseed, the most important material used in the industry, totaled 2,888,480 bushels (161,754,880 pounds), of which 2,756,572 bushels (154,368,032 pounds) were of domestic origin.

The following table shows the quantities of the principal items produced by the industry in 1940 and 1941.

Product		1940	1941
Linseed oil:			
Raw	pounds [1]	30,312,153	31,908,933
Boiled	do	7,970,913	8,761,086
Special	do	12,308,148	18,616,392
Linseed oilcakes	tons	910	2
Linseed oilcake meal	do	46,163	52,089
Linseed meal	do	180	183
Soybean products [2]	pounds	2,257,100	766,000
Soap	do	1,106,946	1,438,458

[1] Converted from imperial gallons at 1 imperial gallon =9 pounds.
[2] Includes soybean oil, soybean meal, and soybean flour.

Olive-Oil Production in Palestine

Olive growers in Palestine must obtain permission to pick or press their 1942–43 olive crop. The announced object of this measure is to avoid the picking of unripe olives which would result in poor yields of olive oil. An additional reason is understood to be the desire of the Government to prevent hoarding, profiteering, and shipments of oil out of Palestine where it is urgently needed.

Vegetable-Oil Extraction in Rumania

Despite Rumania's large production of sunflower seed, the Government is not overlooking other sources of vegetable oils. All growers of vines and prunes are obliged to collect all their seeds and stones, and the preservers of tomato pulp are required to conserve their seeds, which must be delivered to special Government agencies for extraction of the oil.

Sweden's Cultivation of Oilseeds

Experts forecast a production in Sweden next year of 50,000 tons of oil from oilseeds—an amount about equal to Swedish imports of vegetable oils in normal times, say British trade reports.

Cultivation of oilseeds on a large scale has been carried on in Sweden for only about 2 years. The principal center of oilseed production is in Scania, South Sweden, but there are considerable areas under oilseeds in central and western Sweden as well.

Vegetable-Oil Supply in U. K.

Production of the more important vegetable oils in the United Kingdom is maintained at a steady level and is sufficient not only to fill the current needs of the edible-oil factories but also to permit good allocations to the paint and allied industries, the products of which are used almost solely in the war effort, according to British trade advices.

Oilseed supplies arrive somewhat intermittently, but in fair volume, and are likely to be increased as a result of efforts being made to stimulate the gathering and shipping of palm kernels and other oil seeds from British West Africa.

Paints and Pigments

Lack of Raw Materials in Switzerland

The Swiss paint and varnish industry faces a serious problem because of an acute lack of raw materials, recent trade reports indicate. Owing to war conditions, increasing difficulties are being experienced in obtaining imports from former European sources of supply or from overseas.

U. K. Using Witherite in Paint Products

Witherite (native barium carbonate), finely ground, has given very satisfactory results in the United Kingdom as an extender in white paints, say trade reports.

Paints containing witherite are said to be very durable and to have marked color-retention under unfavorable conditions. Greens made by using ultramarine for the blue have shown a better performance with witherite than with barytes, it is said.

Paper and Related Products

Production in Winnipeg, Canada

Winnipeg's pulp and paper companies showed a slight increase in production during August 1942 over the corresponding period of 1941, but output declined somewhat in September. The number of employees was higher, but the percentage of days operated was less.

Developments in India's Paper Industry

Improvement in methods of manufacturing hand-made paper and the utilization of water hyacinth in the manufacture of pasteboard were among the various problems recently considered by the engineering section of the Bengal Industrial Research Board. Results of the investigation were encouraging.

Paper Association Stages Exhibit in U. K.

A 3-day exhibition entitled, "Design for Economy—Paper in Battledress," was held in London in October under the sponsorship of The Waste Paper Recovery Association. Some 50 displays showed what has been done in the use of paper and paperboard.

Stocks of Paper Diminishing in Venezuela

Stocks of paper are rapidly diminishing in Venezuela, though the principal dealers in Maracaibo were fortunate in having exceptionally large supplies on hand before shipping difficulties began. Orders have been pending for more than 6 months, and unless they are filled shortly, stocks of many paper articles will be exhausted.

Petroleum and Products

Production in Alberta, Canada

During September 1942, oil production in Alberta, Canada, amounted to 800,861 barrels, compared with 846,635 barrels for August 1942. Mining operations for the recovery of oil continued at McMurray, where 2,410 barrels were produced in September. This figure is not included in the preceding total. In the current total is included 20,082 barrels of natural gasoline produced by four Turner Valley absorption plants from 1,939,318 Mcf (thousands of cubic feet) of natural gas.

Crude oil and natural gasoline in storage in Alberta on October 1, 1942, totaled 322,389 barrels, a decrease of 76,494 barrels or 19 percent from figures on October 1, 1941.

September production of natural gas amounted to 3,774,950 Mcf, a small increase over the 3,743,929 Mcf for August.

During September, drilling was completed on two wells in Turner Valley. One was placed on production during the month, and testing of the other was still taking place at the end of the month.

U. S. Department of Agriculture

Activity in Spanish Morocco Curtailed by Gas and Oil Shortages

The shrinkage in supplies of petroleum products has had a depressing effect on many phases of activity in Spanish Morocco.

During the quarter ended September 30, 1942, no private automobiles, save those belonging to certain Spanish officials and members of the diplomatic corps, were permitted to circulate. Gasoline for trucks was severely rationed, and bus routes in cities and throughout the zone were cut in half.

Because of gas and oil scarcity, the fishing industry practically came to a halt, and the mail boats and ferries from Algeciras to Tangier and to Ceuta ran only intermittently.

Work at the Minas del Rif, which produces the Zone's chief export, iron ore, was somewhat curtailed for need of petroleum products, and all operating machinery suffered from an almost complete lack of lubricating oil.

Railway Equipment

Substitute Materials Used in Sweden

A new freight-car journal box bearing has been introduced by A. B. Svenska Kullagerfabriken (the S. K. F. Ball Bearing Co., Inc.) of Goteborg, Sweden. It is made of cast iron and is said to be less expensive than the roller box bearings made of steel castings, which were formerly produced by the same company.

Up to the present time, 250,000 units of the old-type journal bearings have been sold throughout the world for use on passenger cars, ore and transportation cars, and heavy machine-shop cars.

Shortages of lubricants and antifriction metals has made it necessary to develop a substitute for steel castings in the manufacture of roller box bearings. The new S. K. F. bearings can be operated continuously, it is claimed, without any intermediate lubricating, for a period of 6 years. The new method also eliminates the use of approximately 50 kilograms of copper, tin, and antimony which were required for the old-type roller box bearings. A. B. Svenska Kullagerfabriken, of Katrineholm, has perfected the method now used for producing the cast iron used in the new bearings and is also manufacturing the finished journal bearings. So far, 2,670 units of the new bearings have been sold.

Refrigeration Equipment

Cold-Storage Plants in Paraguay

Paraguay has two large cold-storage and refrigeration plants. One of these, a brewery and ice-making establishment in Asuncion, has about 150,000 cubic feet of storage space, and produces approximately 1,800 cakes of ice (55 pounds each) daily. The operating machinery was manufactured in Switzerland.

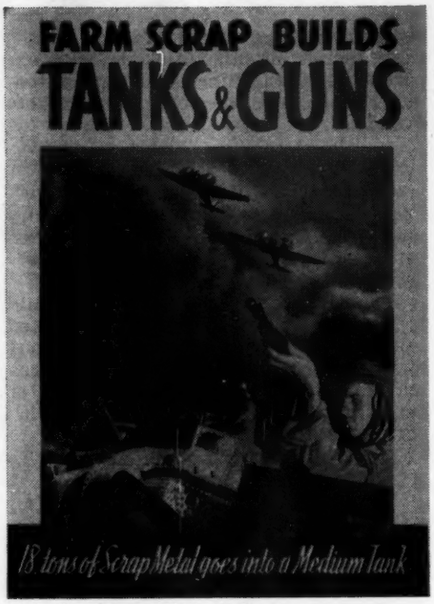
The other large plant is located in San Antonio and belongs to a meat-canning concern. It has storage capacity of approximately 600,000 cubic feet but is seldom used. The equipment, all of United States origin, is old—much of it having been purchased in 1917.

In addition, a number of towns have small ice-making plants. Their production is low, however, the average daily output being approximately 20 to 30 cakes weighing 55 pounds each.

Shipbuilding

New Ships for Denmark

The construction of six wooden ships has begun in Denmark. The first, which is to be launched soon, will be operated by a Diesel motor of 120 horsepower and has a loading capacity of 200 tons.



U. S. Department of Agriculture

Loading capacity of the ships still under construction will range from 120 tons to 180 tons each.

Special Products

New Type of Cooking Stove Produced in Ireland

Two new types of cooking stoves, particularly designed to use locally available types of fuel, are being produced by a company in Eire, the British press reports. One is equipped to burn turf, coal, or wood with equal economy; the other is a sawdust-burning range.

Bicycles Popular in French Morocco

Bicycles are in great demand in Morocco. Requests for more than 6,000 bicycles and 4,000 casings and tubes have been registered, but imports are sufficient to supply only a few hundred each month.

New Styles in Swiss Watches

Utility and accuracy have become the prime considerations in the Swiss watch industry, in keeping with world conditions. Style, originality, and novel features are now regarded as of lesser importance, according to trade reports.

Watertight cases and antishock devices are being more widely used than in previous years, and tachymeters, telemeters, and other measuring devices are being added to many wrist watches. One model even includes movable dials for technical and commercial calculations.

Each manufacturer is assigned a production quota, and, therefore, little competition exists within the industry. Interest in research remains high, however, and technicians in the laboratories of the various factories, as well as the Laboratory for Horological Research in Neuchatel, are continuing their studies and experiments.

Textiles and Related Products

Cotton and Products

Industry Active in El Salvador

The area under cotton cultivation in El Salvador for the 1942–43 season is the highest on record, and estimates place the yield at from 7,000,000 to 8,000,000 pounds. Harvesting was begun about the middle of November. Last year's crop is said to have reached about 2,000,000 pounds.

Cotton spinning and weaving mills, as well as the henequen-bag factory, continue to operate 24 hours a day, and the small henequen and cotton handicraft industries throughout the country are extremely active.

Practically the entire cotton and henequen crops will be absorbed by domestic industries, though some lint cotton is being exported to Guatemala. Shipments of manufactured cotton and henequen products to neighboring countries are increasing steadily. Baling ties are urgently needed for the coming season.

India to Grow Less Cotton

Some 3,500,000 acres formerly devoted to short-staple cotton in India will be planted to food crops next season, according to trade reports.

Cotton arrivals at principal ports during the year ended August 29, 1942, amounted to 2,629,122 bales, compared with 4,095,974 during the preceding year. Exports during these periods declined from 2,405,276 to 1,107,671 bales.

In recent months, cotton-yarn prices have advanced steadily and the Central Government is taking steps to control prices and distribution.

Peru's 1942 Cotton Crop

The quality of Peru's 1942 cotton crop is said to be the best in 5 years. Production estimates have not changed from the original figure of 1,450,000 quintals. (1 quintal=101 pounds.) About 23,032 metric tons were exported during the first 8 months—almost 35,000 under the total for the corresponding period last year. Cotton Chamber reports indicate that approximately three-fourths of the 1942 crop had been sold by the end of October.

Synthetic Fibers and Products

New Plant Operating in Ontario, Canada

Ontario's new plant for manufacture of nylon yarn has begun operating on a small scale. It is hoped that it will reach full capacity by the end of December, when annual production should amount to 1,000,000 pounds or more. A staff of about 300 employees will be required. The flake polymer is imported from the United States.

Wool and Products

Situation in Argentina

The strong demand for last season's Merino and fine cross-bred wools declined in Argentina toward the end of October, but prices remained unchanged.

For the year ended September 30, exports of wool totaled 259,444 bales, compared with 437,534 for the preceding year. About 72,000 tons were carried over this year, whereas the previous carry-over was only 21,000 tons. Domestic mills consumed an estimated total of 45,000 tons.

Optimism prevails regarding the finer grades from the present yield now reaching the market, but disposition of the coarser varieties is uncertain. The new clip is expected to reach 235,000 tons, greasy wool basis, compared with 224,000 for the season just closed.

Ireland's Wool Industry

The number of sheep in Eire is around 2,500,000, according to official estimates, but private sources claim the total is much smaller, as a result of increased slaughterings to fill the strong demand for mutton.

No carry-over from the 1941 wool clip is known to exist. Anticipating possible orders by the Government, mills purchased sufficient stocks to carry them to the end of February.

It has been advocated that the Government place a control on wool prices, says a press report, as wool has been bought by outside interests and held pending a time when depleted stocks would force mills to purchase at high prices.

Exports are said to have declined about 30 percent, although fair-sized shipments were made to Northern Ireland.

Wool Situation in U. K.

Better grades of yarns for hand knitting are in strong demand in the United Kingdom. Consequently, stocks of lower grades are accumulating. Utility cloths engage the attention of woolen mills. Business in hand is sufficient to keep looms busy for months ahead.

Miscellaneous Fibers

Situation in Ecuador

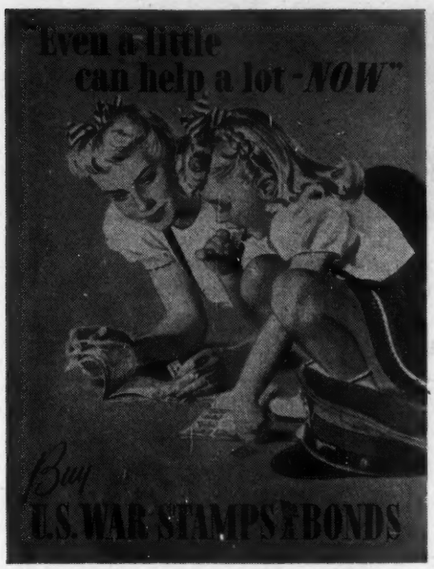
About 10,600 quintals of kapok were harvested in Ecuador in September, and a like amount was expected in October.

The cotton harvest may fall somewhat below that of last year. Imports will be necessary, as the domestic crop is not sufficient to feed the busy textile mills.

For the first 9 months of this year, exports of so-called Panama hats showed a decided increase over 1941.

Increased Production of Sisal in Haiti

Production of sisal in Haiti has increased rapidly within the last several years. From an average of 62,259 kilograms in the decade from 1916 to 1926, exports reached a total of 5,664,554 in the 1935–36 fiscal year, 10,797,222 in 1940–41, and 11,607,076 kilograms in the year ended September 30, 1942.



Cotton, for many years an important source of revenue, dropped slightly—from 2,630,405 kilograms exported in 1940–41 to 2,289,539 in 1941–42.

Carpet Industry in Iran

Trading on the Iranian carpet market reached a high volume during the third quarter, though sales declined somewhat toward the end of September.

Stocks have become low, but dealers expect to accumulate a good supply of rugs and carpets during the period of reduced sales.

Prices remain high, but the number of looms in operation has declined from 11,440 at the close of the first quarter to 10,000 at the end of June, and to 7,900 on September 30.

Flax Production in U. K.

Flax, formerly imported, is now being grown in Yorkshire, England. Many farmers in that county grew flax for the first time in 1941. A much larger acreage is reported for this year, and harvesting has practically been completed.

The Ministry of Supply has established a mill in the North Riding, to handle the flax crop for this region. Through the mill, he maintains close contact with each farmer, and has a staff of experts whom he may consult regarding any phase of flax cultivation.

Operating on a 24-hour basis, the mill produces airplane cloth from the higher-grade flax. Tarpaulins constitute an important outlet from the lower grades. These items are produced almost exclusively by women.

Textile Mills Active in Scotland

Government work is keeping Scottish hosiery mills busy. Some are working overtime.

Tweed mills are concentrating on government orders and utility clothing. Little ordinary civilian material is produced.

The jute industry continues dull, but prices have advanced steadily. Lack of consumer interest in yarns is reflected in irregular prices.

Contributors' Column

Charlotte R. Budd.—Born in Bolton, Conn. Educated in Bolton and Manchester, Conn. Copy writer for the Allen Advertising Agency, Hartford, Conn. For 10 years copy writer and assistant editor, Aetna-izer and Safer Way, house organs of the Aetna Casualty & Surety Co., Hartford, Conn. Entered Federal service in July 1939, in the Department of Agriculture. Joined the Department of Commerce in September 1940; with Bureau of Foreign and Domestic Commerce since April 1941. Business Assistant on the Consumption-Materials Report Staff since July 1942.

Philip M. Copp.—Senior Economic Analyst. Born October 17, 1894, Burlington, Iowa. Educated public schools at Burlington, Iowa; by private tutor in Italy and Switzerland; Harvard University, A. B. (summa cum laude), 1916; B. F. S., Georgetown University, School of Foreign Service, 1922. Has been in Bureau of Foreign and Domestic Commerce since 1922; now Assistant Chief, European Unit. Co-author of several Trade Information Bulletins on European countries; compiler of Foreign Commerce Yearbook. Has contributed to Encyclopedia Britannica Book of the Year.

Edwin W. James.—Civil engineer. Born October 17, 1877, Ossining, N. Y. Educated Ossining High School (1893); Suffield Academy (1895); Phillips Exeter Academy (1897); Harvard University (A. B., cum laude, 1901); Massachusetts Institute of Technology (2 years special study). Now Chief, Inter-American Regional Office, U. S. Public Roads Administration, Federal Works Agency. Author of "Foundation and Drainage of Country Roads," "Highway Construction and Finance," and about 150 other technical articles. Member numerous scientific organizations. Technical adviser to American delegation at International Convention on Automobile Circulation, Paris, France, 1926. Delegate to many highway conferences and congresses abroad. Received Belgian Award, Sixth International Road Congress, 1930. Member Consejo de Vias de Communicaciones, and Consulting Highway Expert to Republic of Colombia, 1929–30. In charge of surveys and construction on the Inter-American Highway for the U. S. Public Roads Administration.

Britain's Seaweed Survey

A survey of the types and quantities of seaweed found on British coasts is being made by the Marine Biological Survey at the request of the Ministry of Supply, the British press reports.

Important developments have recently been made in the processing of seaweed.

European, Far Eastern, and Other Exchange Rates

NOTE.— *For Latin American Rates See Opposite Page*

COMPILED IN INTERNATIONAL ECONOMICS UNIT

NEW YORK RATES REPORTED BY FEDERAL RESERVE BOARD

Country	Unit quoted	Annual average rate		Monthly average rate		Rate on Nov. 27, 1942
		1940	1941	September 1942	October 1942	
Australia	Pound (free)	$3.0516	$3.2127	$3.2150	$3.2150	$3.2150
	Pound (official)	3.2280	3.2280	3.2280	3.2280	3.2280
Canada	Dollar (free)	.8514	.8735	.8782	.8763	.8820
	Dollar (official)	.9091	.9091	.9091	.9091	.9091
Hong Kong	Dollar	.2296	.2459	(†)	(†)	(†)
India	Rupee	.3016	.3014	.3012	.3012	.3012
New Zealand	Pound	3.0638	3.2254	3.2278	3.2278	3.2278
Straits Settlements	Dollar	.4698	.4713	(†)	(†)	(†)
Union of South Africa	Pound	3.9800	3.9800	3.9800	3.9800	3.9800
United Kingdom	Pound (free)	3.8300	4.0318	4.0350	4.0350	4.0350
	Pound (official)	4.0350	4.0350	4.0350	4.0350	4.0350

OFFICIAL RATES IN FOREIGN COUNTRIES

[New York rates not currently available]

Country	Official rate	Equivalent in United States dollars of unit quoted	Annual average rate [1]	
			1938	1939
Afghanistan	4 Afghanis=1 rupee	$0.0753		
Belgian Congo	44.25 Congolese francs=$1.00	.0226		
Belgium	1 belga=RM 0.4000	[2].1600	$0.1689	$0.1685
Bulgaria	1 lev=RM 0.0305	[3].0122	*.0124	*.0621
China (Shanghai)	1 yuan=$0.0531	[4].0531	.2136	.1188
China—Manchuria	1 M. yuan=1 yen	.2344	*.2845	.2596
Czechoslovakia:				
Bohemia-Moravia	1 koruna=RM 0.10	[2].0400	*.0347	[5]*.0343
Slovakia	1 Slovak crown=RM 0.0860	[2].0344	*.0348	*.0343
Denmark	4.79 kroner=$1.00	.2088	.2183	.2035
Egypt	£E 0.23973=$1.00	4.1714	[3] 5.0130	[6] 4.5463
Finland	49.35 markkaa=$1.00	.0203	.0216	.0199
France:				
Occupied area	1 franc=RM 0.0500	.0200	.0288	.0251
Unoccupied area	43.90 francs=$1.00	.0228	.0288	.0251
French Indochina	1 piaster=$0.2269	.2269	[7].2880	[7].2510
Germany	RM 2.50=$1.00	.4000	*.4006	*.4002
Greece	1 drachma=RM 0.0167	[2].0067	.0090	.0082
Hungary	5.13 pengö=$1.00	.1949	.1973	.1924
Iceland	6.505 kroner=$1.00	.1537		
Iran	32 rials=$1.00	.0286		
Iraq	1 dinar=£1 sterling	4.0350	[6] 4.8894	[6] 4.4354
Italy	19 lire=$1.00	.0526	.0526	.0520
Japan	1 yen=$0.2344	.2344	.2845	.2596
Netherlands	1.8838 guilders=$1.00	.5308	.5501	.5334
Netherlands Indies	1.8925 guilders=$1.00	.5284	.5501	[8].5334
Newfoundland	$1.10 Newfoundland=$1.00	.9091	[3].9942	.9602
Norway	4.375 kroner=$1.00	.2286	.2457	.2327
Palestine	£P1=£1 sterling	4.0350	[6] 4.8894	[6] 4.4354
Poland (general governorship)	1 zloty=RM 0.5000	[2].2000	.1886	[2].1884
Portugal	24.55 escudos to the dollar (checks)	.0409	.0433	.0404
	15 escudos to the dollar (currency)	.0667		
Rumania	191.30 lei=$1.00	.0052	*.0073	[9]*.0071
Spain	10.95 pesetas=$1.00	.0913	*.0560	*.0999
Sweden	4.20 kroner=$1.00 [10]	.2381	.2399	.2380
Switzerland	4.31 francs=$1.00	.2320	.2253	.2268
Syria	2.195 pounds=$1.00	.4556	[7].5760	[7].5020
Thailand (Siam)	11 bahts=£1 sterling	.3659	.4445	.4032
Turkey	£T1=$0.75	.7500	.8011	.8024
U. S. S. R.	5.30 rubles=$1.00 [11]	.1887		
Yugoslavia:				
Croatia	1 kuna=RM 0.0500	[2].0200	*.0231	[9]*.0277
Serbia	1 dinar=RM 0.0500	[2].0200	*.0231	[9]*.0227

*Nominal. †Not available.

[1] Averages are in dollars per unit of foreign currency and are based on daily quotations of noon buying rates for cable transfers in New York City as reported by the Federal Reserve Board.

[2] Based on German official rate for United States dollar.

[3] Averages for first 8 months only.

[4] Rate set Aug. 18, 1941, by Chinese Stabilization Board.

[5] Average for first 3 months only.

[6] Based on average for pound sterling.

[7] Based on average for French franc.

[8] Average for Netherlands guilder.

[9] Average for January-August and November-December.

[10] Official selling rate: The official cable rate is 4.18 kroner=$1, and the air transfer rate is 4.15 kroner=$1.

[11] For foreign trade valuation purposes only.

News by COUNTRIES

(Continued from p. 25)

the Government has reduced the tax on 20,000 beeves from $50 to $1 per head in an attempt to bolster the meat supply by thus facilitating the importation of beef cattle. It is understood that the cattle will probably be purchased largely in Colombia.

The flour-supply situation continued to present difficulties, and on several occasions stocks in the terminal cities were entirely depleted. Assistance from the Army and Canal Zone commissaries averted serious results, and it is now indicated that, with improved transportation from the United States, Panama may be relieved of this worry.

PRICE CONTROL

Among the latest regulations issued by the Price Control Commission were the ceilings set on the prices for the compounding of drug prescriptions. The control has met considerable opposition among druggists who claim that the permissible charge of not more than 50 percent above net costs of materials is not sufficient margin of profit.

In view of the rising costs of materials, higher wages and increased costs of operation under the present emergency, the Commission has allowed an increase in the sale price of beer.

MISCELLANEOUS

Other developments during the month of October included the establishment of a company in Colon to engage in the carbonic-acid gas business. The capitalization of the firm is announced as $350,000, represented by 3,500 preferred and 700 common shares of stock.

The Republic has instituted a system of postal insurance for merchandise and mail entrusted to it for delivery, but it will be effective only in the principal cities of the country for the time being.

Transport and Communication

Additional Air Service.—Panama is to receive further air transport service through the organization of Aerovías Panamenas, S. A. The stated purpose of this Panamanian corporation is to operate an airplane service, an aerial photographic service for the drafting of maps, transport service, and finally, everything related to general aviation. The organizers and officers are well-known Panamanians, the president being a leading local aviator. It is understood that the Government may have a certain interest in the venture, particularly with reference to the carriage of mail. While plans are still in the formative stage, it is reported that the new concern intends to acquire and operate three planes. Observers point out that, although additional air service between Panama City and David had until recently been a prime necessity to take care of the heavy demand for transportation, the pressure at the moment is not so great, owing to

the fact that the TACA company and the Pan-American Airways are operating services on that run.

Maritime Traffic Controls.—Panama has recently taken a number of steps in harmony with the United Defense Forces to control maritime traffic. Baggage of all passengers arriving in the port of the city of Panama is now subjected to a minute examination. On the other hand, certain restrictions on foreigners visiting Panama have in some cases been lifted. The former $150 deposit required has been eliminated for persons arriving for medical treatment, students, professors, certain technicians, cultural and scientific missions, commercial travelers, and others.

New Vessels Available.—A development of considerable importance in the transportation field was the action taken by a prominent Panamanian capitalist in bringing to Panama three modern cargo vessels of medium tonnage. It is understood that one will be used as a cattle boat, one for fishing, and one for transporting staple crops from the interior to the markets in Panama City and Colon. In view of the desperate shortage of shipping space and of overland transportation facilities, it is expected that these vessels will exercise a beneficial effect on the food-supply situation on the Isthmus.

Spain

Exchange and Finance

New Restrictions on Banking Loans.—Various limitations on banking and mortgage credits designed to strengthen the credit structure of banking and prevent unsound credit practices, were established by an order of the Spanish Ministry of Finance, published in the Official Bulletin of the State, October 22, 1942.

In summary, this order provides that, after November 1, 1942, no banking institution not especially empowered to conduct long- or medium-term mortgage operations may grant mortgage credits unless specifically authorized to do so by the General Banking Bureau.

Prior authorization must also be obtained for transferring other credits, either collateral or noncollateral, into mortgage credits; with the exception that where creditor is threatened with insolvency such transfers may be made and later authorization obtained from the General Banking Bureau after justification therefor is shown.

Credits guaranteed by securities must be covered by a written contract fixing a definite maturity date. The amounts of credits against such securities are to be governed by a formula based on the dividends earned and paid or the quotation of such securities on the stock exchange.

"Open" credits in current accounts are forbidden. If such credits exceed 1,000 pesetas for any period in excess of 15 days, they must be covered by a written contract or by a bill of exchange having a fixed maturity date. All such open accounts in existence must be liquidated within the period of 3 months from the date of the order.

The amounts of "personal" credits are also to be restricted, taking into account their relationship to the other securities in the portfolio of the respective banking institution, when such restrictions are deemed necessary by the General Banking Bureau.

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency per dollar, with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to 1 dollar.

Country	Unit quoted	Type of exchange	Annual average rate		Average rate		Latest available quotation	
			1940	1941	Aug. 1942	Sept. 1942	Rate	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	3.73	Nov. 12
		Official B	4.23	4.23	4.23	4.23	4.23	Do.
		Bid		4.88			4.94	Do.
		Free market	4.37	4.24	4.22	4.23	4.23	Do.
Bolivia	Boliviano	Controlled	39.09	43.38	46.46	46.46	46.46	Nov. 9
		Compensation	[1] 53.83	[2] 55.00				
		Curb	56.71	54.02	50.00	50.00	50.50	([3])
Brazil	Milreis (Cruzeiros)[13]	Official [4]	16.500	16.500	16.500	16.500	[13] 16.50	Nov. 7
		Free market	19.789	19.717	19.630	19.630	[13] 19.63	Do.
		Special free market	20.700	20.678	20.500	20.500	[13] 20.50	Do.
		Curb	21.421	20.298				
Chile	Peso	Official	19.37	19.37	19.37	19.37	19.37	Nov. 11
		Export draft	25.00	25.00	25.00	25.00	25.00	Do.
		Curb market	33.04	31.78	31.74	32.22	33.70	Do.
		Free	31.05	31.15	31.10	31.10	31.10	Do.
		Gold exchange	31.05	31.15	31.10	31.10	31.10	Do.
		Mining dollar	[4] 31.13	31.35	31.10	31.10	31.10	Do.
		Agricultural dollar		[5] 31.15	31.10	31.10	31.10	Do.
Colombia	do	Controlled	1.75	1.7545	1.75	1.75	1.755	Nov. 7
		Bank of Republic	1.755	1.755	1.755	1.755	1.755	Do.
		Stabilization Fund	([6])	([6])	([6])	([6])	([6])	
		Curb	1.88	1.86	1.77	1.77	1.77	Do.
Costa Rica	Colon	Uncontrolled	5.70	5.85	5.56	5.64	5.64	Nov. 5
		Controlled	5.62	5.62	5.62	5.62	5.62	Do.
Cuba	Peso	Free	.90	.975	1.00	1.00	1.00	Nov. 2
Ecuador	Sucre	Central Bank (Official)	[7] 16.42	15.00	14.10	14.10	14.10	Do.
		Central Bank (Free)	[8] 15.44					
		Commercial Bank	[8] 15.73					
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	2.04	Do.
Mexico	Peso	Free	5.40	4.86	4.85	4.85	4.85	Nov. 14
Nicaragua	Cordoba	Official	5.00	5.00	5.00		5.00	Sept. 26
		Curb	6.36	5.93	5.22		4.95	Do.
Paraguay	Paper peso	Official	[9] 70.00		333.00	333.00	333.00	Oct. 31
		Free	[9] 75.35	([10])				
Peru	Sol	do	6.17	6.50	6.50	6.50	6.50	Nov. 7
Salvador	Colon	do	2.5	2.5	2.5	2.5	2.5	Do.
Uruguay	Peso	Controlled	1.899	1.899	1.899	1.899	1.899	Do.
		Free	2.66	2.31	1.90	1.90	1.90	Do.
Venezuela	Bolivar	Controlled	3.19	3.26	3.35	3.35	3.35	Oct. 24
		Free	[11] 3.46	[12] 3.76	3.35	3.35	3.35	Do.

[1] Mar. 16–Dec. 31.
[2] Jan. 1–June 20.
[3] Beginning of October.
[4] Established on July 13.
[5] Established Mar. 25.
[6] For Class 2 merchandise, 1.795; Class 3, 1.87; Class 4, 1.95.
[7] June–December.
[8] January–May.
[9] Paraguayan pesos to 1 Argentine peso.
[10] Abolished on Feb. 10.
[11] Jan. 1–June 25.
[12] July 24–Dec. 31.
[13] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Syria and Lebanon

Tariffs and Trade Controls

Millet, Manioc, and Arrowroot Exempted From Import Duties.—Millet and roots of manioc, arrowroot, Jerusalem artichokes, and other similar roots or tubers have been exempted from import duty in Syria and Lebanon, by order No. 395/FL of July 24, 1942, published in the Bulletin Officiel of August 15.

Tunisia

General Commission of Transports Established.—A General Commission of Transports has been established in Tunisia, to coordinate rail and coastwise transports and to assure connections between these transports and sea transports of importation and exportation, by an order of May 23, 1942, published in the Journal Officiel Tunisien of June 2.

Textile Products: Importation and Manufacture Controlled.—Textile fabrics, yarns, threads, and products thereof imported into Tunisia must be declared to the Textile Trade Committee, by an order of May 22, 1942, published in the Journal Officiel Tunisien of June 4.

By another order of the same date, manufacturers of these products must use raw materials which they receive from the Services of General Supplies

for the making of articles designated by the Textile Trade Committee.

*Carrots and Turnips: Export-License Taxes Increase.**

*Goat's Hair and Camel's Hair: Export Quota Fixed.**

*Palm-Leaf Braids, Baskets, etc.: Exportation Limited.**

United Kingdom

Wartime Commodity Controls

Census of Tires on Laid-Up Vehicles.—Any person who was the owner or custodian of a laid-up vehicle in the United Kingdom on October 28, 1942, was obliged to complete a census return for that vehicle and send it in by November 18, 1942. This census will show what tires are available for requisitioning by the government.

When tires are required, the owner or custodian will be informed in advance, and an expert will call to dismount and evaluate them. Compensation for requisitioned tires is paid in accordance with the provisions of the Compensation (Defense) Act 1939.

Exchange and Finance

New Savings Certificate Issue.—It has been announced that a supplementary issue of United Kingdom Savings Certificates will be placed on sale early in January 1943. The purchase price will be £1, and the value, at the end of 10 years, will be 23 shillings. Holdings will be limited to 250 certificates free of income tax. A new stipulation is that certificates must be held 90 days before being cashed, after which time they are payable on demand. Persons may subscribe to the new issue whether or not they hold ordinary National Savings Certificates. Since the terms of the latter are more favorable, however, it is unlikely that persons will purchase the new issue unless they hold 500 (the maximum allowed) of the ordinary National Savings Certificates.

Uruguay

Tariffs and Trade Controls

Apples: Temporarily Exempted from Import Duty.—Exemption from import duties is granted to apples imported until February 15, 1943, by a Uruguayan decree effective October 28, 1942, published in the Diario Oficial of November 10. The decree provides for an importation of 60,000 boxes or barrels of apples, and states that maximum prices will be established by the National Subsistence Commission.

[For announcement of establishment of maximum sales prices for apples see FOREIGN COMMERCE WEEKLY of October 24, 1942]

Private cars were banned from the roads of Bulgaria after July 25, 1942, say reports in the European press.

Trade Mark Applications

Argentina.—The following applications for trade-mark registration were published in the Boletin Oficial of November 10, 1942. Opposition must be filed before December 14, 1942.

Trade-mark	Class No. and commodity
Cool-ees	No. 16—Entire class.
Regent	Do.
Amdyco	No. 1—Entire class.
Ring	No. 12—Entire class.
Sulfabucal Perrone	No. 2—Entire class.
Oxford	No. 10—Entire class.
"Pegasus"	No. 18—Entire class.
General Motors Argentina	No. 14—Entire class.
Red Spot	Do.
Red Spot	No. 20—Entire class.
Service	No. 9—Entire class.
Vital	No. 3—Entire class.

Chile.—The following applications for trade-mark registration were published in the Diario Oficial of Chile on November 16, 1942. Opposition must be filed within 30 days from the date of publication.

Trade-mark	Class No.
Opal	20
Opalin	20
Colorit	20
Matex	20
Kemi-Kliner	21
Duratex	28
Stanelco	36
Tublect	36
Triplex	42
Margarita	42
Baby Lindy	42
Sonia	50
Baby Lindy	50
Magnolia	50
Bucodent	57
Swan	57
Inecto	57
Camel	57
Trombyl	75
Albaton	75
Teolon	75
Nosylan	75
Menformon	75
Dermatex	75
Vi-Penta	75
Hepabicol	75
Sanisitol	75
Baby Lindy	81

Colombia.—The following applications for trade-mark registration were published in the Diario Oficial of November 5, 1942. Opposition to the registration of these trade-marks must be made in Colombia within 30 days from date of the third and last printing.

Trade-mark	Commodity
Trapiche	Nonalcoholic and nonmedicinal beverages.
Puente Viejo	Do.
Derby	Do.
Rikiki	Do.
Vermifugo-Infantil L. L.	Pharmaceutical preparations.
Elixir de Leclerc L. L.	Do.
Erithrosedina L. L.	Do.
Dixie	Textiles, towels, hosiery, etc.
Super quality	Do.
Grisette	Do.
Best quality	Do.
Gandhy	Do.
Dri-Kleen	Chemical products for dry-cleaning.

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from date of publication.

Trade-mark	Product	Date of publication
		1942
Termolin	Electric goods, etc	Nov. 4
Alpha	Toys	Do.
Kalisay	Beverages	Nov. 7
Apialgin	Drugstore and chemical products.	Nov. 6
Rausa	Groceries, foodstuffs, etc	Do.
Bull-Dog	Cigars, cigarettes, tobacco	Nov. 10
Dubachel	Groceries, foodstuffs, etc	Nov. 9
Carnex	Animal and dairy products	Do.
Frutoil	Groceries, foodstuffs, animal and dairy products.	Nov. 10
Frutoliv	do	Do.
Vital	Groceries, foodstuffs, etc	Do.

OPA Ruling on Ferromanganese

Sellers of standard ferromanganese, made from dutiable ore, to a governmental agency for shipment outside the United States may charge the full $135 per gross ton maximum price for the commodity only if they assign the duty "drawback" privilege to the agency, the Office of Price Administration has announced.

Assigning of the "drawback" privilege to the Government agency would permit the agency to obtain a refund of the import duty paid on the ore from which the standard ferromanganese was made.

If sellers do not make such an assignment, the $135 per gross ton price must be reduced by $10, an amount set as roughly representing the import duty on the ore.

Also, if the standard ferromanganese had been made from ore on which no duty was paid because it was left in a bonded warehouse, and if the standard ferromanganese is still in a bonded warehouse and is shipped in bond without payment of duty on the ore, then the maximum price must likewise be reduced by $10 per gross ton.

These pricing provisions are established in Maximum Price Regulation No. 138 (Standard Ferromanganese) through Amendment No. 3, effective November 13.

Japan's Railway-Equipment Manufacture

Japanese locomotive and car-building companies turned out 1,210 locomotives of all types and 8,882 cars and coaches during 1941, according to Tokyo claims. The total value of this equipment was 84,600,000 yen (approximately $19,830,240), against 14,300,000 yen (approximately $3,351,920) in 1937.

U. S. Export Control and Related Announcements

Developments communicated to the Adviser on Trade Controls up to Tuesday, December 1, 1942:

No. 418—*Exportation of Electronic Devices.*

War Production Board Order L-183 brought under further control of the War Production Board electronic devices and extended the provisions of L-44 to cover every product in the electronic field from microphones to antennae, including tubes, parts, and complete equipment. No transfers from the inventory of such parts may be made except on orders rated A-3 or higher. Domestic inventories are controlled by applications on Form PD-1X, but for exports applications should be filed with the Board of Economic Warfare on Form PD-1A together with license application on Form BEW-119 in quadruplicate, in accordance with the procedure outlined on page 114 of Comprehensive Export Control Schedule No. 10.

Where firms already hold export licenses, the same procedure must be followed, with the exception that exporters should also return the existing license with the new BEW-119 application. The PD-1A and BEW-119 applications should clearly differentiate these cases from those which involve new license applications by showing that the application covers a license previously issued.

No. 419—*Exports of Canned Foods Under Conservation Order M-237, as Amended November 23, 1942.*

The War Production Board made no special provision for quotas for exportation when Conservation Order M-237 (amended November 23, 1942) was issued. Exporters, therefore, must determine for themselves the percentages of their quotas prescribed for each period for the different restricted canned fruits, vegetables, and juices, as specified in the order, which may be spared to their customers abroad.

Excluded from restriction under the order are: Liquid, strained, mashed, or chopped canned foods when packed as infant food or for invalid feeding, jams, jellies, preserves, marmalades, pickles, relishes, and soups, also purchases by the Army, the Navy, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey, the Defense Supplies Corporation, War Shipping Administration, or by any agency of the United States Government for supplies to be delivered to, or for, the account of the Government of any country under provision of the "Lend-Lease Act," by persons operating oceangoing vessels engaged in transport of passengers or cargo in foreign, coastwise, or intercoastal trade for the necessary supplies for such vessels; and canned foods for delivery in any territory or possession of the United States, upon proof that the foods in question are actually to be delivered in any such territory or possession.

This does not in any way affect the export control of these products which are under General License to Group C or Group K countries according to the product to be exported.

No. 420—*Current Export Bulletin No. 59.*

The Office of Exports has issued Current Export Bulletin No. 59 which contains the following announcements:

I. *Multiple Consignees on One Freight-Space Application.*

Effective immediately the Office of Exports has arranged that exporters of flour may file one application for freight space covering the shipment of a quantity of flour for delivery to a number of consignees at a single port. The names of the proposed consignees are not to be stated on the freight-space application, but a list of these consignees with their addresses is to be attached to each of the five copies of the BEW 138 submitted.[1] After this application has been approved by the Office of Exports and the ODT permit has been issued, the quantity involved may be split up among the consignees mentioned on the list attached to the BEW 138 as the exporter may elect.

It is suggested that, instead of filing one application for a large quantity for each port, several applications be filed, involving in each case a small tonnage—perhaps 50 to 100 tons. One copy of the list of possible consignees must accompany each copy of the application.

Exporters of material other than flour who believe that the procedure set forth above should be applied to their materials may request the Office of Exports to consider the desirability of establishing similar procedures in connection with shipments of their materials.

II. *Iron and Steel Products—Certificates of Necessity—Commitments of Suppliers—Specifications.*

In order to assure the issuance of licenses for iron and steel products considered most vital to the other American Republics and to facilitate the procurement of the materials, the Board of Economic Warfare has adjusted certain phases of the procedure used in applying for export licenses. Applications for export licenses covering iron and steel products which cannot be produced in the fourth quarter of 1942 will be returned to the respective applicants. (This in no way affects valid outstanding licenses.) The Certificates of Necessity accompanying these applications also will be returned and will no longer be considered valid. Applications for materials already manufactured or produced will be considered by the Board of Economic Warfare during the remainder of 1942 so long as there are any unfilled balances in the fourth quarter iron and steel allocation.

For the first quarter of 1943 the Board of Economic Warfare will consider only Certificates of Necessity issued specifically for 1943, with the one exception of certificates issued specifically for November and December of 1942 by Brazil. These Brazilian certificates will be considered in the first quarter of 1943. The certifying agencies of the other American Republics have been notified regarding the issuance of certificates. It is suggested that holders of unused certificates for 1942 immediately contact their connections in the respective countries if they desire replacement certificates for 1943.

Due to the limited amount of time available, the certifying agencies in the other American Republics have been instructed to forward to the Board of Economic Warfare by cable the complete details of all certificates as they are issued and to have the importers in their countries cable exporters in the United States the certificate numbers and specifications where feasible. Therefore, a firm in the United States, upon receiving a certificate number, should apply for an export license without waiting for the actual certificate. The certificate number must be placed on the face of the export license application in the space available for answering Question 14. The certificate must be forwarded to the Board of Economic Warfare at a later date when it is received.

In connection with Certificates of Necessity for iron and steel products, the Board of Economic Warfare will no longer accept photostatic or other copies, but must have the original in all cases. If the application is submitted for only a portion of the materials covered by a Certificate of Necessity, the original certificate must be submitted with the first application. These original certificates will be filed for further reference. Subsequent applications need only refer to that Certificate number.

In order to assure that the material covered by an export license is procurable, the applicant must arrange for his material with a supplier before submitting his application. With his application he must present to the Board of Economic Warfare a copy of a definite valid commitment from a supplier to furnish the material if an export license is granted. If, however, the applicant is unable to obtain such a commitment after making a reasonable attempt to do so, he must submit with his application for export license all pertinent information as to his efforts to secure a supplier. In that case the Board of Economic Warfare, through the cooperation of the War Production Board, will obtain for him a supplier of the material if the license is granted.

Accompanying each application for iron and steel products, there must also be a rider sheet showing complete specifications of the material involved, if such information is not shown in the commitment statement referred to above. Attention is called to paragraph 21, page 99, Comprenhensive Export Control Schedule Number 10. The information required must also be included.

Applicants are cautioned that the correct Schedule B commodity number must be inserted under question 14 of BEW Form 119. The insertion of incorrect numbers results in undesirable delays.

III. *General in Transit License Shipments—Freight-Space Application Requirement.*

Effective December 10, 1942, shippers will be required to submit to the Office of Exports, Board of Economic Warfare, Washington, D. C., applications for freight space (BEW 138) for all shipments, other than those originating in Canada, moving en route through the United States via water to a destination in the Other American Republics under a general in transit license (GIT). Such applications must be submitted regardless of the weight of the shipment, whether more or less than 2,240 pounds.

Shipping ratings for such in transit shipments will be assigned upon certification of the applications to the War Shipping Administration.

Steamship operators will be instructed by War Shipping Administration to make bookings for such cargo only on the basis of an

[1] This list must be typewritten single-spaced in a vertical column. Erasures or alterations will invalidate the entire list. The Board of Economic Warfare reserves the right to cancel the inclusion of any name submitted on this list.

approved BEW 138, even though the shipment weighs less than 2,240 pounds.

In filing applications for freight space for these shipments, the following special requirements must be observed:

The name and address of the original consignor of the merchandise in the foreign country, and the name and address of the American shipper or freight forwarder must *both* be listed in the space for answering questions 2 and 3 on the application form.

In answer to question 14, the applicant shall enter the appropriate symbol indicating the general in transit license under which shipment is being made (for example, GIT–B/B).

The answer to question 17 is to be left blank. The shipping rating will be assigned following submission of the application.

In the case of general in transit shipments weighing less than 2,240 pounds, shippers must incorporate in the export declaration a statement as follows:

"I (we) certify that freight space for the merchandise described herein was obtained as a result of approval by the Board of Economic Warfare of my (our) application for freight space (BEW 138) Serial No. —."

As heretofore, applications for the movement of shipments weighing over 2,240 pounds originating in Canada must be filed by the Canadian shipper on the prescribed form which shall be sent to the Shipping Priorities Committee, West Block, Ottawa, Canada.

IV. *Comprehensive Export Control Schedule Number 10.*

With the publication of comprehensive Export Control Schedule No. 10, two new features are instituted. In this issue changes from or addition to the previous issue of the Schedule are indicated by round black dots. Where the correction is confined to a part of a paragraph, the changed part has these dots at the beginning and end. Where an entire paragraph is changed or added, the black dots are placed at the beginning and end of the paragraph. Where a series of paragraphs represents new material, black dots are placed at the beginning of each paragraph and at the end of the last in the series. When a list comprises the new material, the black dot is placed only before the introductory words.

An index of the schedule is to be found on pages 122 to 124. Earnest efforts have been made to make this an adequate working tool.

All information included in bulletins through number 57 has been added to the new schedule. There are numerous changes in general license groupings and shipping priority ratings throughout section I.

Among other changes, the following are to be noted:

(Where possible, there is indicated the bulletin issued since publication of Comprehensive Export Control Schedule No. 9 wherein the new material originally appeared.)

Australia is now included in Group C; Syria is now included in Group K; the control requirements regarding Canada have been withdrawn (Bulletin No. 50). The French Western hemisphere possessions have been removed from Group K (Bulletin No. 55) (pp. 70–73).

Commodity numbers have been listed for the commodities in Section D (pp. 76 to 78).

A general license concerning Gift Parcels to Prisoners of War and Interned Civilians has been added (Bulletin No. 56) (pp. 79–80).

Commodity numbers have been listed for the articles and materials exportable under the several unlimited licenses (pp. 81 through 84).

In the provisions concerning preparation of applications, special attention is drawn to the requirement for accurate data regarding the weight and measurements of shipments, sec. 7, page 85 (Bulletin No. 45).

Provisions for the validation of licenses for periods longer than 6 months are set forth, sec. 13, page 87 (Bulletin No. 52).

Provisions concerning the exportation of related commodities under one license are set forth in Section B, pages 88 to 91 (Bulletin No. 53).

Special provisions concerning the following commodities have been added on pages 92 to 95:

Diamonds and tools incorporating diamonds (Bulletin No. 54).

Machinery and vehicles, parts and subassemblies (Bulletin No. 50).

Metal drums and containers (Bulletin No. 57).

Mining equipment and replacement parts for resale (Bulletin No. 45).

Photographic film plates and paper (Bulletin No. 52).

Mechanical household refrigerators and replacement parts (Bulletin No. 49).

Rubber processing equipment, machinery, parts and materials (Bulletin No. 54).

The section on Certificates of Necessity and the commodities affected, pages 96–97, have been revised.

On the following pages (97–99) there is set forth information regarding General Exports Order M–148 and its supplements (Bulletins Nos. 48, 57).

The requirements for obtaining consignee and consignor changes by wire are set forth in section G on page 99 (Bulletin No. 57).

Revisions are to be noted in the procedure governing shipments to neutral European countries, the Portuguese and Spanish Atlantic Islands, Africa, and the Middle East (Bulletin No. 54).

The controls over the exportation of articles and materials bearing certain foreign trade-marks, trade names, etc., are set forth on page 105 (Bulletin No. 57).

The control over exportation of technical data to Canada is withdrawn, page 106 (Bulletin No. 50).

Provisions concerning the exportation of technical data on microfilm or any other photographic form are set forth on page 111 (Bulletin No. 52).

Information concerning the transportation of export shipments to the other American Republics, pages 115 through 118, has been considerably revised.

The provisions concerning ship stores, supplies, equipment and bunker fuel have been rewritten (Bulletin No. 55), and a special export license application has been introduced for use in obtaining licenses for these materials (pp. 119 to 121).

V. *Errata—Comprehensive Export Control Schedule No. 10.*

The following corrections should be noted in Comprehensive Export Control Schedule No. 10:

Page 6. Under "Art Works," the shipping priority rating for "Paintings, etchings, engravings, and statuary," Schedule B No. 9610, should be "D."

Page 7. For "Plastic Lead Carbonate," Schedule B No. 8426, the general license group should read "C." Delete the shipping priority rating.

Page 7. For "Basic Lead Carbonate," 9434, the general license group should read "K," the shipping priority rating should read "D."

Page 16. Under "Chemicals," the shipping priority rating for "Sodium chloride," Schedule B No. 5724, should be "B." Under "Chemicals—Scdium chromate and bichromate," Schedule B No. 8386, delete the shipping priority rating "B."

Page 18. Under "Coal and Related Fuels," the general license group for "Coke," Schedule B No. 5004, should read "C." Delete the (*) in the shipping priority rating column.

Page 21. Under "Cotton Mfrs.," for "Towels and toweling, huck, damask, and plain-woven," the general license group should read "K," the shipping priority rating should read "C."

Page 23. Under "Drugs, Herbs, etc.—Insecticides," the general license group for Cube (timbo or barbasco) root, cube root extract and cube root powder, Schedule B, No. 2209.05, should read "47."

Page 23. Under "Drugs, Herbs, etc.—Insecticides," the general license group for "Pyrethrum or insect flowers," Schedule B, No. 2209.19, should read "47."

Page 24. Under "Electrical Machinery and Apparatus," the quantity unit for "Insulating Material," Schedule B, No. 7093, should read "Lbs."

Page 28. "Furnaces, cast iron parts of oil burner," Schedule B, No. 6152.88—the general license group should read "C."

Page 57. "Root, cube (timbo or barbasco)," Schedule B, No. 2209.05—the general license group should read "47." "Rotenone," Schedule B, No. 8205.93—the general license group should read "47."

Page 63. Under "Textile Products" for "Absorbent cotton, gauze, and sterilized bandages," the general license group should read "C." Delete the shipping priority rating.

Page 74. In Example No. 1 of paragraph 1*b*, the commodity should be changed to read: "Cocoa butter."

Page 75. Syria should be included in the list "Z" destinations.

Page 75. Paragraph 2*c*, the words "all forms of" should be deleted from the first line.

Pages 75–76. List of commodities in paragraph 2b, "Limitations On Use" of General In Transit Licenses, is amended to read as follows:

Commodity	Schedule B or F No.
Insert:	
Aluminum sulfate	8336.*
Beef and mutton tallow (inedible)	0857.
Homatropine	8127.93, 8180.03.
Hyoscine (scopolamine)	8127.96, 8180.19.
Plasmochin	8135.98.
Sunflower oil (edible)	1449.98.
Zinc	6570 through 6573.98, 8299.9, 8398.45 through 8398.48, 8411, 8429.19.
Delete:	
Corn and maize oil (edible)	1441.
Linseed oil, and combinations and mixtures, in chief value of such oil	2232.
Wool fabrics	3649F.

* Instead of 8336.8.

Page 78. Section F, part *c*, paragraph *b*, "Photographic film," the page reference should be "94."

Page 93. Under "Drums and Containers, Metal," insert as a seventh paragraph, above the last three lines in the first column, the following:

"Filled or unfilled metal cylinders designed to hold gas, regardless of size or capacity, will be authorized for exportation under general license to group 'C' destinations. All exportations of metal gas cylinders, regardless of size or capacity, to any other destination will require individual export licenses, which must set forth both the cylinders and contents."

Page 96. In the "List of Materials," the series of numbers for "Iron and Steel—Plates" should include "6047." This number should be excepted from the series for "Structural shapes."

Page 99. In the fifth and sixth lines of paragraph 20, the WPB address should read: Lend-Lease *and Export* Section, Iron and Steel Branch.

Page 99. In paragraph 20 delete the last sentence and substitute: "This information is required in addition to the other information requested on the form."

Page 101. In section C, paragraph *a*, the page reference on the second line should read: "100."

Page 101. In section G, paragraph *b*, requirement of a Blockade Control Permit for petroleum products applies to all the Portuguese Atlantic Islands. In the case of wheat flour the permit is required only for proposed shipments to Sao Thome.

IMPORT CONTROL

No. 17—*Special United States Consular Certificate Required on Certain Goods Shipped to the United States From Overseas—Clarification*

It is called to the attention of American importers that the requirement concerning the special United States Consular Certificate on certain goods shipped to the United States from overseas (see Import Control Announcement No. 15 in FOREIGN COMMERCE WEEKLY for November 7, 1942) applies also to orders which have been placed and have not yet been shipped.

It is, therefore, advisable for importers to give their suppliers a definite statement of the status of the proposed imports under M–63 to cover goods which are now under order with foreign suppliers, even though such orders were placed before the Special United States Consular Certificate became a condition precedent to the issuance of consular invoices.

It should be noted that the official procedure, as outlined in Announcement No. 15 referred to above, is flexible and simple in its operation. There is no official documentation required of American importers, whose sole function is to advise their foreign sources of supply by telephone, radiogram, cablegram, or letter, of the status of the proposed importations under General Imports Order M–63 and, if a letter of authorization has been secured from the War Production Board, the number of the letter of authorization covering the proposed importation.

No. 18—*Certain Sesame Seed Imported From Neighboring Countries Require Individual Letters of Authorization (Supplemental General Imports Order M–63–a, as Amended November 26, 1942)*

Under Supplemental General Imports Order M–63–a, as amended November 26, 1942, sesame seed (Schedule A No. 2234.0) is no longer exempted from the restrictions imposed by General Imports Order M–63, as amended, when located in, and the growth, production, or manufacture of, and transported into the Continental United States overland, or by air, or by inland waterway from Canada, Mexico, Guatemala, or El Salvador.

An individual letter of authorization is therefore required for these products brought in from these areas as well as from other foreign countries and from the noncontiguous territories and possessions of the United States, and an application in duplicate to the War Production Board (Reference: M–63) on Form PD–222–C is required.

No. 19—*Import Control Tightened on Brazilian Quartz Crystals and their Manufactures and Semi-Manufactures (Supplemental General Imports Order No. M–63–e).*

Effective December 7, 1942, the War Production Board has issued Supplemental General Imports Order M–63–e, covering the following products:

Brazilian pebble (quartz crystals) unmanufactured (Schedule A No. 5120.6);
The same, manufactured and semi-manufactured, in blanks, slabs, bars, etc. (Not separately classified in Schedule A.)

As a result, the products covered by this amendment are from December 7, 1942, no longer exempt from the requirement of an individual letter of authorization when imported under contract or other arrangement made prior to or subsequent to October 6, 1942.

Applications for letters of authorization on Form PD–222–C must, therefore, be filed with the War Production Board (Reference: M–63), for all importations subsequent to December 7, 1942, with the exception that provision has been made for the importation without letters of authorization for all of these goods which on December 7, 1942, were afloat, or for which an on-board bill of lading had actually been issued, or the goods had actually been delivered to and accepted by an air carrier for transportation to a point within the continental United States.

U. S. Foreign-Trade Figures for October

In October the value of total exports from the United States continued the steady increase shown in recent months, according to a preliminary report issued by the Bureau of the Census of the Department of Commerce. Exports in October reached a total of $776,036,000, which represented an increase of 8 percent over the high September figures. This rise in value was also accompanied by an increase in the cargo tonnage cleared from United States ports. Exports for the first 10 months of 1942 were 55.7 percent greater in value than for the similar period in 1941. Data do not include any shipments to our armed forces abroad, but do cover Lend-Lease goods shipped to the United Nations.

The value of general imports (arrivals) of merchandise in the United States increased moderately in October but continued below the average for the year to date. For the third successive month, general imports (arrivals) have exceeded imports for consumption. In recent months, warehouse withdrawals have exceeded entries of merchandise into customs warehouses, indicating a drain on the unusually large warehouse balances built up in 1941.

Export values rose more sharply than import values during the month, and the net export balance of merchandise trade exceeded half a billion dollars for the second consecutive month.

EXPORTS

[All figures in thousands of dollars]

Month	Total (including reexports)		United States merchandise	
	1941	1942	1941	1942
January	324,864	479,464	317,471	473,521
February	303,118	478,355	297,977	474,720
March	356,750	610,973	349,963	604,945
April	387,219	695,355	377,952	687,658
May	384,717	525,115	376,435	519,168
June	329,765	618,984	323,691	613,591
July	364,982	628,681	355,217	623,801
August	460,226	702,341	442,286	696,006
September	424,572	718,187	413,425	712,136
October	666,376	776,036	647,462	768,912
10-months total	4,002,589	6,233,491	3,901,879	6,174,458
Percent change		+55.7		+58.2

IMPORTS

Month	General imports (arrivals)		Imports for consumption	
	1941	1942	1941	1942
January	228,665	253,522	223,624	255,996
February	233,698	253,546	216,663	239,529
March	267,788	272,111	254,557	252,029
April	287,468	234,085	274,572	222,819
May	296,981	190,609	281,396	186,159
June	279,509	219,919	261,063	201,050
July	277,552	214,384	264,391	208,156
August	282,491	184,432	273,825	192,352
September	262,421	189,642	264,947	199,556
October	304,120	199,392	292,296	223,582
10-months total	2,720,693	2,211,642	2,607,334	2,181,228
Percent change		−18.7		−16.0

NOTE.—All figures for 1942 are subject to revision.

New Books and Reports

★ The following publications, added to the Department's research facilities through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin, November 21, 1942.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, $2.75 a year. The November 21 issue contains these articles:

TEMPORARY POLITICAL ARRANGEMENT IN NORTH AND WEST AFRICA: Statement by the President.

AMERICAN MILITARY OPERATIONS IN FRENCH NORTH AFRICA:

Congratulatory Messages from Other American Republics.

Congratulatory Message from the Prime Minister of Iraq.

UNITED STATES RELATIONS WITH THE VICHY GOVERNMENT:

Exchange of Diplomatic and Consular Personnel.

Correspondence Between the Secretary of State and the Honduran Foreign Minister.

NEW YORK HERALD TRIBUNE FORUM:

Address by the Under Secretary of State.

Address by the American Ambassador to the Soviet Union.

ADDRESS BY THE FORMER AMERICAN AMBASSADOR TO JAPAN, NOVEMBER 19.

SUPREME COURT OPINION IN THE SABOTEUR CASES.

DIRECTOR OF FOREIGN RELIEF AND REHABILITATION OPERATIONS.

PROCLAIMED LIST: CUMULATIVE SUPPLEMENT 1 TO REVISION IV.

VISITS TO THE UNITED STATES OF THE PRESIDENT OF ECUADOR AND THE GUATEMALAN FOREIGN MINISTER.

AGREEMENT WITH THE DOMINICAN REPUBLIC REGARDING CUSTOMS MATTERS.

AGREEMENT WITH MEXICO FOR REHABILITATION OF MEXICAN NATIONAL RAILWAYS.

COOPERATIVE TRAINING PROGRAM FOR PERUVIAN STUDENTS IN THE UNITED STATES.

DISTINGUISHED VISITORS TO THE UNITED STATES FROM EL SALVADOR, HONDURAS, AND MEXICO.

POSITION OF COUNSELOR OF EMBASSY FOR ECONOMIC AFFAIRS.

PUBLICATION OF HACKWORTH'S DIGEST OF INTERNATIONAL LAW, VOLUME IV.

Other Publications

A HISTORY OF THE CANADIAN PEOPLE. VOL. 1 — NEW FRANCE. Morden H. Long. 1942. 376 pp. Illus. Price, $3.50. Surveys the history of the French regime in the new perspectives afforded by recent research. Features such subjects as the influence of the physical background, the epics of exploration, missionary enterprise and settlement, the evolution of government and economic life, and the struggle between Great Britain and France for control of North America. The dominating influence of the fur trade is stressed throughout, and the book is furnished with interesting maps and illustrations.

Available from: The Ryerson Press, Toronto, Canada.

WARTIME RATIONING AND CONSUMPTION. Economic Intelligence Service, League of Nations. 1942. 87 pp. Price, $1. Reviews and analyzes every type of rationing and the experience of many countries. Discusses the problems of consumption control in war economy, various methods of rationing, conditions under which they can operate successfully, and the connection between rationing and price control. Particular attention is paid to food, and tables are included showing, for some 30 countries, by categories of consumers and groups of foodstuffs, rations prevailing in the spring of 1942.

Available from: Columbia University Press, 2960 Broadway, New York, N. Y.

GEOGRAPHY OF LATIN AMERICA. Fred A. Carlson. 1942. 642 pp. Illus. Price, $5. Divided into two parts, Part I is entitled South America, and Part II, Middle America, including Central America, Mexico, and the West Indies. Each country is treated separately, including, for the most part, a brief review of the general characteristics, a description and interpretation of the natural-cultural regions, and a summation of the geography in relation to domestic and foreign affairs. Two survey chapters, one on the geographical background of South America, and another on the Andean landscape, form an introduction to the book. Illustrations, maps, and tables are found throughout the book.

Available from: Prentice-Hall, Inc., 70 Fifth Avenue, New York, N. Y.

THE BRITISH COLONIAL EMPIRE. W. E. Simnett. 1942. 255 pp. Price, $3. Describes the Colonial Empire — its growth, methods of administration, both local and central, the Colonial Service, the policy of trusteeship and its implication, the new colonial development program, other colonial systems, and the nature of the colonial problem which will exist after the war. Includes a comprehensive bibliography of colonial literature. Also contains a special map of the Colonial Empire and a chart showing how it is administered.

Available from: W. W. Norton & Co., Inc., 70 Fifth Avenue, New York, N. Y.

Tunisia—Economy of Vital Protectorate

(Continued from p. 13)

view of the economic status described in the foregoing paragraphs. Imports, aside from certain essential foodstuffs not produced locally, are mainly fuels and manufactured products of all types.

The principal food products imported, with 1938 values, are: Rice, $1,900,000; sugar, $1,879,000; peanut oil, $1,243,000 (to free a larger proportion of the olive oil for export); tea, $1,214,000; and butter and cheese, $686,000.

Fuel imports consisted of coal, 207,000 long tons valued at $1,435,000; gasoline, 394,000 barrels valued at $1,082,000; kerosene 188,000 barrels, with a value of $474,000; and heavy oils and fuel oils, $912,000.

Cotton piece goods with a value of $3,501,000 were the leading textile import, but fairly large quantities of other fabrics, yarns, clothing, and jute bags were also brought in.

Machinery ($2,979,000), metal manufactures ($2,518,000), automobiles and parts ($1,993,000), iron and steel ($1,231,000), wood $1,119,000), and chemicals and dyes ($1,111,000) were other imported items.

The export trade reflects largely the two principal occupations of the Tunisians, agriculture and mining. The leading products, with 1938 values in thousands of dollars in parentheses, are: Olive oil (8,953 for edible and 716 for inedible); wine (5,085); wheat (4,780); phosphates (3,849); iron ore (3,109); wheat flour and semolina (1,957); pig lead, (1,712), derived partly from Algerian ore; alfa and diss (1,451); hides and skins (712); fruits and nuts (689); and sponges, washed (546).

France's Import-Export Rank

More than half of Tunisia's trade has been with France (62 percent for imports and 56 percent for exports), but even so the trade relations with the mother country have been much less close than Algeria's, despite a reciprocal absence of duties on nearly all products. In the import trade there is a large number of suppliers, led by Algeria, the United Kingdom, Rumania, the United States, and usually Italy, no one of which supplied more than 4.1 percent of the total. The export trade with countries other than France is somewhat more centered on a few markets; the United Kingdom and Italy each took somewhat over 10 percent of the exports, and Algeria and the United States about 5 percent each

accounting together with France for seven-eighths of Tunisia's total exports.

Some of the import products not obtained mainly from France in nonwar years (1938 is taken as a typical year) are: Coal, mainly from the United Kingdom; petroleum and petroleum products, from Rumania and to some extent Iran, except lubricating oils which are chiefly from the United States; rice, from "French colonies" (presumably Indochina); and tea, from "British colonies." Aside from lubricating oil, the principal imports from the United States in 1938 (and other normal years) were: Tractors and parts; cultivating and harvesting machinery and parts; well and refining machinery; pumps; electric refrigerators; leaf tobacco and cigarettes; and apples and pears.

The principal export items of which France did not take the major portion in 1938 were: Phosphates, of which France took about one-fourth, Great Britain one-seventh, and several other European countries rather large amounts; edible olive oil of which about one-third each went to France and Italy and one-seventh to the United States; inedible olive oil, two-thirds of which went to the United States; alfa or diss for papermaking, nearly all to the United Kingdom; iron ore, over half to Britain and about one-fourth to Germany; goat and camel hair, to Britain and the United States.

Italy Took Phosphates, Ores

The meager data available for the period since the French armistice with Germany indicate that practically all exports have gone to France except phosphates, of which 55 percent went to Italy in slightly over a year between June 25, 1940, and July 31, 1941, and most of the remainder to France. The total quantity of phosphates shipped in this period was only about half of a normal year's exports, but shipments to Italy amounted to 471,898 metric tons as compared with only 301,400 tons in 1938. Metallic ores in this period went largely to Italy and the United Kingdom, but shipments totaled only 33,765 tons as against exports of more than 800,000 tons of iron ore alone in 1938.

El Salvador Regulates Cotton Production

The intensified cultivation of cotton in El Salvador has culminated in a Government decree to the effect that, since cotton has become a vital factor in the national economy, the "control of cultivation, processing and sale of cotton in the country is declared a public utility, which will be wielded by the Executive Power."

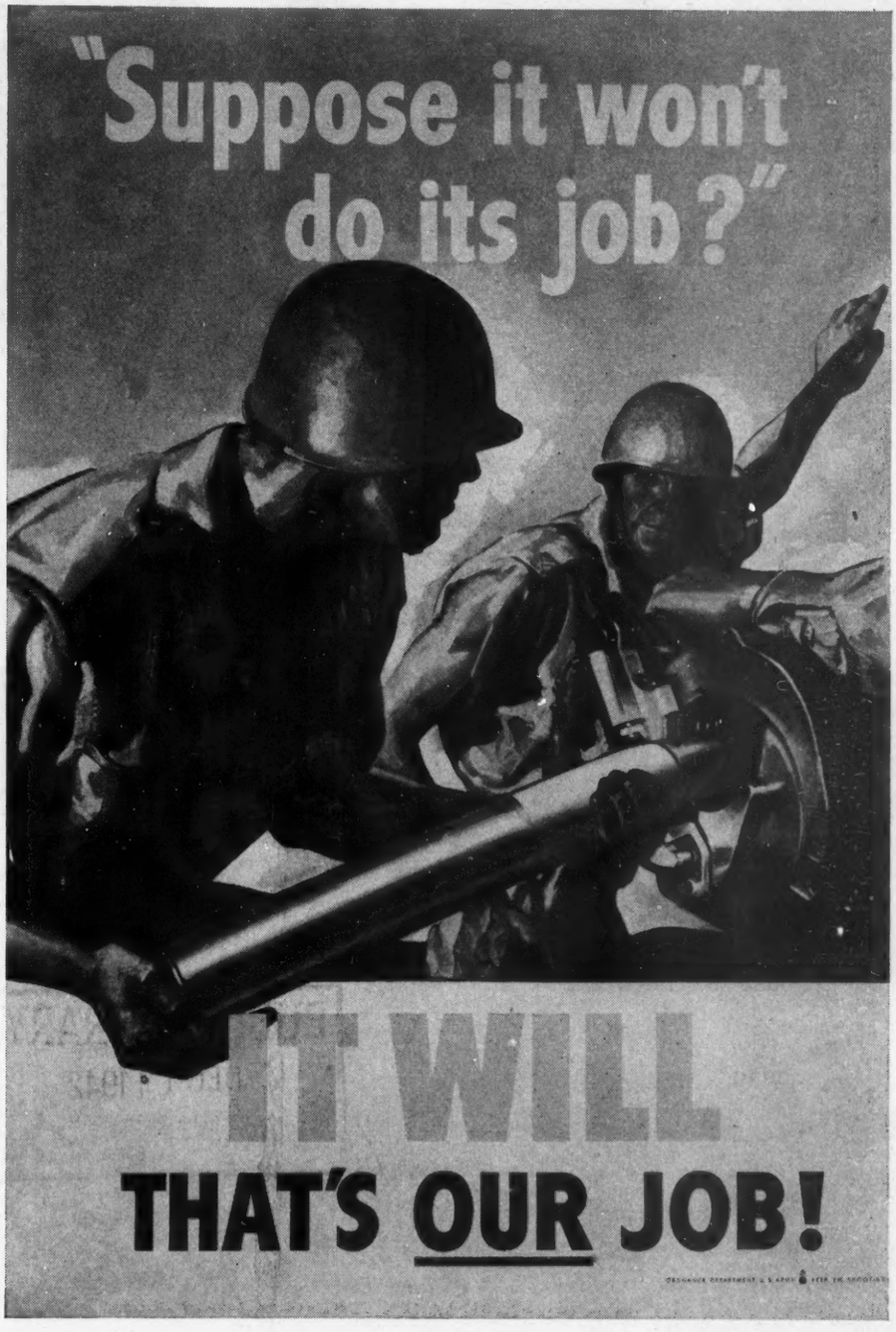
Under the new legislation, all cotton growers must be members of the Salvadoran Cotton Growers' Cooperative Ltd., established in 1941; all persons, firms, and corporations ginning cotton must be licensed by the Government and must be members of the Cooperative; all cotton consumed in the Republic in the manufacture of yarns and fabrics must be bought only from the Cooperative.

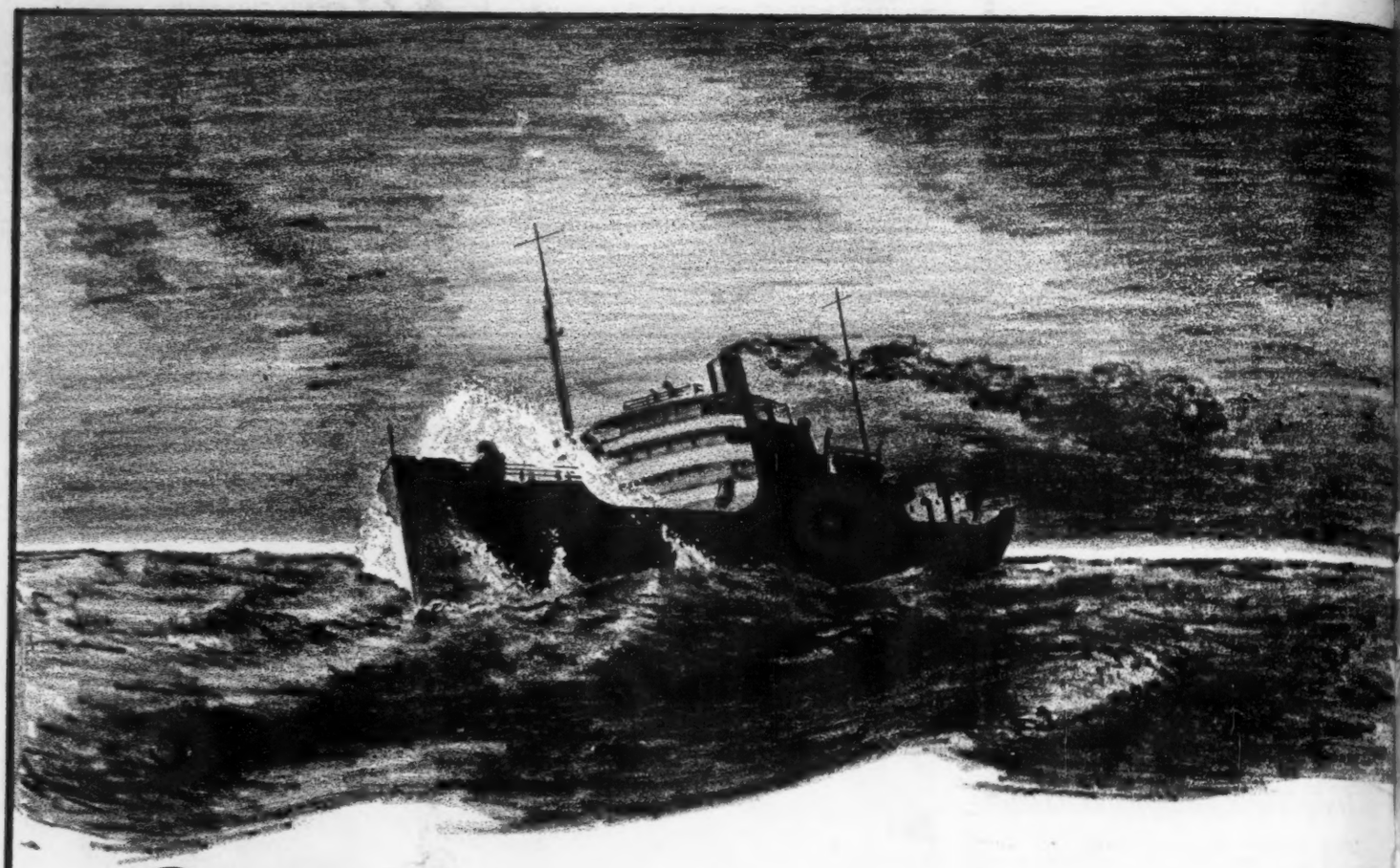
Penalties for infraction of these laws are so severe that there is no likelihood of appreciable noncompliance. Provisions of the law include: (*a*) Government fumigation of all seed to be planted; (*b*) proper precaution by growers to control pests; (*c*) duty-free importation of insecticides through the Ministry of Agriculture; (*d*) regular reports on production and acreage figures; new developments in cultivation and other information.

In order to obtain a license to plant cotton, growers must present a certificate of membership in the Cooperative, a certificate of the fumigation or disinfection of the seed to be planted, and proof of the payment of their income and road taxes.

Through the licensing procedure the Government has a means of restricting production of cotton, but leading officials of the Cooperative who had a major part in framing the new legislation stated that there was no intention on the part of the Government or the Cooperative to limit planting during 1942.

It was hoped that the new legislation would lead to a forceful control of marketing of the 1942 crop, estimated at between 75,000 and 100,000 quintals.





Commerce defies every wind • outrides every tempest • invades every zone •

SHIPS FOR VICTORY

U. S. GOVERNMENT PRINTING OFFICE: 1942